Holding Companies' Place in Mining Boom (Page 18)

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The Nation's Business

- Supreme Court Points Way to Constitutional Changes
- Canada and The League of Nations
- A "Nationalized" Central Bank
- An Unfortunate Incident in Banking

The Unsupreme Supreme Court

WHEN the U. S. Supreme Court throws out a New Deal measure there are loud huzzahs not only from those who had been embarrassed by the rejected law but from those who regard the constitution as a sacred document, not to be defiled by the ideas of 1936.

To a large majority of American people constitutionality counts for more than social or economic merits in judging federal legislation.

With few people in Canada does such an attitude prevail. We ask the courts to rule on the legality of Dominion and provincial laws. But we do not look upon their decisions as being anything other than purely legal pronouncements.

The Supreme Court threw out the Natural Products Marketing Act only because it was ultra vires of the Dominion and not because it regarded the legislation as economically unsound. It permitted the criminal code amendment against price discrimination to remain. The amendment may be good law but that does not prove its economic utility or even its workability.

* * *

BY THE time the Privy Council gets through reviewing the Supreme Court decision we will know better where the Dominion and the provinces stand legally on those matters which the Fathers of Confederation did not foresee. We will then have to consider what changes are needed in our constitution to permit needed reforms—which may not necessarily be these New Deal reforms—to be put into effect. The delay will have served the useful purpose of giving us a chance to a second look at Mr. Bennett's hasty mock Socialism, which was his desperate last throw of the dice to win the election.

In the main, the Dominion power was upheld by the decisions to a larger degree than appears on the surface. By approving the use of the treaty-making power as a means of passing legislation otherwise not within the competence of the Dominion the Supreme Court has broadened the jurisdiction of the Dominion to a greater degree than any other development since Confederation.

The Supreme Court decisions are, however, nothing more than a long first stride toward the ultimate revision of the B.N.A. Act to modernize it in keeping with present day needs. They bear only on constitutionality and are not even the last word on that. Nor will even the Privy Council have the last word. The Canadian people will find a way to make their constitution what they want it so that they can pass the laws they consider necessary.

* * *

The League In Eclipse

THE belief that world peace can be found through the League of Nations dies hard in Great Britain. British statesmen intend to do their best to keep the League alive, to help reorganize it. But it has dragged them through one blunder, one failure after another. They no longer rely upon it. Defying the powerful public opinion behind the gospel of collective security, they are going back to traditional British foreign policy: of holding the peace through diplomatic finesse, backed by armed forces. Reluctantly, even such idealists as Messrs. Baldwin and Eden have had to recognize that the notion that the League can keep the world in peace has been proved, by events in China, Abyssinia and Germany, both naive and dangerous.

If the world consisted of Great Britain, the United States, the Scandinavian nations and the British Dominions there would be some realism in collective security under the League. But there are other nations with older ideologies to contend with. Even France, outwardly the most earnest of all supporters of the League, was for it only so long as she could use it as an instrument for keeping Germany unarmed and at bay.

* * *

JAPAN defied the League and got away with it. Italy defied the League and the League proved powerless to stop Mussolini. Hitler has defied the League and the League has proved itself impotent to meet or resolve the Rhineland crisis.

These successive crises have not served to weaken the faith of the idealists that the League may yet be made a force for peace. But their impassioned pleas can hardly save the situation now. The League is in the valley of humiliation. It has a long climb out ahead of it. The technique of the dark ages, of keeping the peace by force, has been restored. That it is likely to prove no more effective now than in earlier decades is beside the point. The world is not yet ready for the League ideal. One might as well expect a hardened

(Continued on page 2 col. 5).

Power of Dominion Stressed Throughout 'New Deal' Decisions

New Conception of Jurisdiction Seen in Findings

IT'S REVOLUTIONARY

Right to Enter and Enforce International Pacts Upheld

From Our Own Correspondent

OTTAWA.—From every aspect, the Supreme Court judgments on the Bennett New Deal dwarf, in importance, all preceding court decisions on the British North America Act. The judgments are of direct and vital importance—both from the negative and positive viewpoints—to business whether it be production, manufacturing or distributing.

From the Supreme Court, the New Deal emerged in tatters, but to regard the judgments as a crushing defeat for Dominion jurisdiction would be a grave error. The Supreme Court judges were variously divided, agreeing only upon a handful of points and one statute. There is in the judgments, however, an insistence (on the part of its more distinguished members) upon the over-riding nature of Dominion jurisdiction. This is revolutionary and bodes ill for those who stand for undiminished provincial power.

One Phase Unique

The judgments may best be considered under 3 headings: Dominion regulation of industry; Dominion power in matters of social reform; ordinary statute law. But, in a general way, one phase of the judgments is of unique interest.

While the court, as stated, was sharply divided on nearly every important constitutional point at issue, the opinions of the judges whose names, rightly or wrongly, carry most weight with the legal profession, support a new and revolutionary conception of Dominion judisdiction under the British North America Act.

As practically all of the statute in dispute will be appealed promptly to the Privy Council, to be argued at London this September, it remains to be seen if the last court of resort will confirm these opinions. If so, the result may even decide, finally, the 60-year-old question as to whether the Do-

(Continued on page 2, col. 3)

Rumor Ford To Produce Light Auto

Selling Price in Canada Said to be Between $500 and $600

That Ford may enter the 1937 market with a new small, full-sized car selling in Canada between the $500 and $600 mark looms as the most important single possibility in the automotive world at the present time.

When questioned this week by The Financial Post, Wallace R. Campbell, president and treasurer of the Ford Motor Co. of Canada, declined to comment.

Although full-sized, the new car (it is said) will be 400 lbs. lighter than the present V-8. Consequently it would be cheaper to operate in addition to a lower initial cost.

Whether it would replace the present V-8 or simply supplement and round out the company's line by providing a product to tap a new market of small car buyers remains to be seen. The latter possibility seems more likely since with the addition of such a car the company would be able to tap four distinct groups of buyers when production of Lincoln and Lincoln Zephyr is included.

Since Australia is one of Ford of Canada's largest export markets a light car would be of distinct competitive advantage in that field.

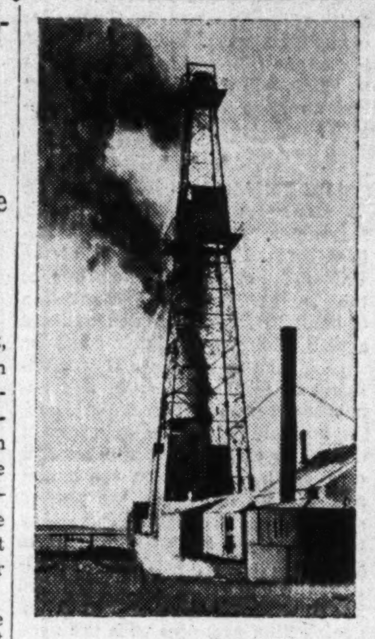
The Australian tariff changes, incidentally, are known to be giving all Canadian manufacturers very considerable concern. As yet the situation has not been clarified sufficiently to know what the ultimate effect on Canadian sales will be. Some reports indicate that such a car if produced would be brought on the market early in the autumn.

Municipalities May Get Federal Housing Money

From Our Own Correspondent

OTTAWA.—A new phase of the Dominion Housing scheme has been stressed by Hon. Charles A. Dunning, minister of finance. Under the act, municipalities may function in the same way as private lending institutions.

This is taken to mean that the finance department will welcome any municipality which desires to stimulate house construction. Such will have to qualify under the act as a lending institution and will have to put up a maximum of 60 per cent of the loan. Another 20 per cent would come from the housing fund and the balance from the borrower.



CRUDE AT LAST?

Westerners are hailing the new strike of Turner Valley Royalties as the end of the 20-year search for crude oil in the west. The quality of the oil being obtained is the highest ever found in Turner Valley. Above is shown a view of the well, located on the west flank of the valley, shortly after it came in.

Highlights

Research Wizard

General Motors' Charles F. Kettering has made important contributions to progress of medicine and industry. Page 3

Preferred Stocks

Non-callable participating convertible issues provide elements of protection for the investor. Page 11

Low Cost Government

Life insurance companies look to honest and economical governing policies as solution of basic investment problems in Canada. Page 16

Sir Norman Angell

Monetary palliatives are loaded with danger. Page 12

Mining Equities

Well managed holding companies present interesting speculative possibilities and equity for shareholders. Page 18

Grand Forks

The town in B. C. that would not stay "broke." Page 11

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Bank of France Rate Is Now Five Per Cent

The Bank of France has reduced its discount rate from 6 to 5 per cent and has also cut the rate on loans covered by securities from 8 to 6 per cent, and that on 30-day loans from 6 to 5 per cent.

In view of some restriction on export of gold, the lower discount rate is not expected to result in gold movement. The reductions will be welcomed by businessmen who have been severely affected by the high rates which have been designed to curtail withdrawal of gold.

See Inflation On Vast Scale Sweeping Globe

Rising Prices, Larger Trade, More Jobs Forecast

IS BRITISH VIEW

A world-wide upswing in prices is due to get under way soon. It is likely to be so extensive that it will bring to the nations relief from many of the social, economic and political problems that now harass them. Trade will be stimulated; employment will increase.

This rather optimistic view of the outlook over the next few years has been gaining strength in British banking and economic circles. It was recently reported in the Whaley-Eaton Service, Washington. The Economist of London, surveying the international outlook, arrives at similar conclusions.

The Economist survey expresses the opinion that once European gold bloc countries have completed the process of devaluation which has now become inevitable, the materials are at hand for a world-wide upswing in prices. Increased gold supplies and revaluation of existing stocks have provided a monetary basis so great that, if it becomes associated with a psychology of expansion, it offers the prospect of a great price rise in the next few years.

Attempting to "time" these developments, that it feels lie ahead, The

(Continued on page 2 col. 6)

Blind River Operations Are Held Up

Public Financing Prevented as Prospectus Was Inadequate

Considerable interest is being taken in the situation of the Blind River Pine Co., which was recently stated to have taken over the Carpenter-Hixon Lumber Co. assets.

The Carpenter-Hixon Lumber Co. is only employing 54 men at present in a town of 2,600 depending on the company. These men also will be dismissed unless something happens by June 30, when the company completes shipping its stocks of lumber.

Public Issue Delayed

Apparently, the operations of the Blind River Pine Co. were to be financed by the sale of $1,250,000 5½ per cent 15 year mortgage bonds at par, to Tate and Brent, Toronto.

In the bond prospectus the president, Hon. Beniah Bowman, presented in attractive terms the wood resources of the company. He estimated net annual profit at $370,000 to pay bond interest of $68,750. He stated that the managing director of the company would be Charles H. Greer, "who has operated successfully in lumber and timber business for the past 25 years."

When this issue was made, The Financial Post criticized the prospectus as being "sadly lacking in disclosure of financial and historical details." Apparently, the whole working capital was to be obtained from the public. John M. Godfrey, Ontario Securities Commissioner, apparently took a similar view, as right to sell the bonds on the prospectus was refused. An attempt was made to raise some money on interim certificates but the question of public financing is held up.

Disavows Prospectus

In Toronto papers recently, Charles H. Greer, by his solicitors, Arnoldi, Parry and Campbell, advertised that he disclaimed any responsibility or liability for any prospectus or statement or circular issued by the Blind River Pine Co., in which his name had been used as a director. He claimed that the literature had been issued without his knowledge or consent.

An attempt has been made to interest the Ontario government in the problems involved in meeting the wages problem and keeping the company plant in operation. It has been indicated by the government that any intervention would be solely to help out the bush cutters and other workmen.

Independent Survey Made Of Newsprint Mills' Output

From Our Own Correspondent

MONTREAL. — An independent survey of the effective capacities of Canadian newsprint mills, particularly those in Quebec and Ontario, has been completed and submitted to the Newsprint Export Manufacturers Association of Canada by Stevenson, Jordan and Harrison, of New York.

It is no secret that the rated capacity of newsprint mills, formerly used by the News Print Service Bureau, has been unsatisfactory. No official information is to be had on the purpose of the new survey, but the A. N. P. A. Bulletin says, "with the new rating of capacity as determined by these engineers, predicated on the present volume of business, it is believed there would be about an 81 per cent operation for all of the Canadian mills. The Pacific Coast mills and Mersey will probably continue to run full in view of their natural ability to ship by water throughout the year."

The significant feature of this new development, the Bulletin points out, is a "new plan to artificially control production." Along these lines the A. N. P. A. says: "It is a reasonable assumption that the new ratings, when accepted by the mills, will form a basis for all Canadian mills to operate at approximately the same rate."

Scores of Taxes Are Hidden In Solitary Loaf of Bread

DOMINION INCOME TAX
CORPORATION TAX
MILLER'S TAXES
RAILWAY TAXES
PROVINCIAL INCOME TAX
SALES TAX
TAXES ON MILK
TAXES ON YEAST
MORE TAXES
TAX
CHEQUE TAXES
FARMER'S TAXES
GAS TAXES
TAXES
LAND TAX
LICENSE FEES
TAXES ON SUGAR
ELEVATOR TAXES
TAXES ON PAPER
MORE TAXES
EXCISE TAX
TAX

THROUGHOUT Canada, considerable interest has been aroused by these words spoken in the Senate the other day by Hon. C. P. Beaubien of Montreal:

> "I know that up to the present time it has been thought that governments which give freely are popular; that the more a government gives to the people the more popular it is. Governments in this country have seemed to think that they should tax the rich and cater to people who own nothing and are worth nothing. Such a policy is absolutely futile and impracticable. Any governments which contend that they should tax the rich and give to the poor have only to look at their own records to find that the great bulk of taxation comes not from the rich, but from other classes of the population. The poor are taxed as well as the rich. I have a very interesting article here—I do not intend to delay the House by reading it——"
>
> HON. MR. CASGRAIN: "Read it."
>
> HON. MR. BEAUBIEN——"which says that there are 60 taxes hidden in a loaf of bread. Up to now those who have had the responsibility of government—and I make no distinction between parties—have had to choose between a tax that was apparent and a tax that was hidden, and they have preferred the one whereby they could pluck the most feathers while provoking the fewest squawks."

Direct and Indire[illegible]xes

The article the Senator had in his hand was one that appeared in The Financial Post on February 15 last. It is worth re-quoting in part:

> "Politicians deny that the taxes of the man-on-the-street have been increased. Increased taxation is attributed to levies made on the rich and on wealthy corporations. To date, the politicians have been successful in fooling the people, but this cannot continue indefinitely. The time is not far distant when the public will realize that they pay the taxes. It is generally recognized that most taxes are eventually passed on to the consumer. They may be partially absorbed by the manufacturer or retailer for a time, but eventually it is the consumer that pays.
>
> "Take, for instance, a loaf of bread. Few housewives realize that even within this staple of life is hidden a whole pyramid of taxes. There are over 60 taxes hidden in one loaf.
>
> "Of this number, ten are direct taxes paid by the bread companies . . . Manufacturers of the various ingredients of bread pay taxes and these are concealed in the price . . .
>
> "Actually, an estimate of 60 taxes in a loaf of bread is a very conservative one. This includes only major tax items. If all the ingredients of a loaf of bread were to be traced to their source and indirect as well as direct taxes taken into consideration the total would be much greater. For instance, one might include the sales tax on farm machinery and the various taxes paid by the manufacturer of this machinery. The farm machinery company buys steel from the steel manufacturer who in turn purchases coal and iron ore from the mines. As a result we have a continual pyramiding of taxes.
>
> "All of these taxes are eventually reflected in the price of the bread itself . . ."

The Post's statement of last February has been widely quoted. By some skeptics it has been challenged. But the more apparent and obvious taxes that are wrapped up in a loaf of bread can easily be cited.

Not at All Tax-Free

It is impossible to estimate all the tax payments that are wrapped up in a loaf of bread, which is generally regarded by the housewife as tax-free.

There is no sales tax on bread and there is exemption from sales tax on most of the ingredients.

But consider just some of the more direct tax costs that are concealed in the loaf of bread that the housewife buys for 8, 9 or 10 cents.

	No. of taxes
The farmer who grew the wheat paid a tax on his land. (Not to mention the scores of other taxes entering into his costs; duties on implements, sales taxes on supplies, etc.)	1
The railway company that hauled the wheat paid income taxes, provincial mileage and gross earnings taxes and municipal taxes. Out of all the taxes paid let us count only Dominion income tax, one provincial tax and one municipal levy.	3
The lake steamship company paid its toll which it had to charge up in its rates, to be ultimately included in the cost of the bread.	3
The milling company that ground the wheat paid income taxes, a provincial corporation tax, and a municipal tax (and scores of others) but we'll take only the first three.	3
Similar taxes were paid by these firms that handled the wheat or furnished supplies:	
The grain elevator company	3
The sugar refinery	3
The yeast manufacturer	3
The shortening manufacturer	3
The dairy	3
The malt company	3
The wrapping paper manufacturer	3
The printer who printed the labels	3
The coal dealer	3
The bank that financed the transactions all down the line paid at least four taxes	4
The light company, the gas company, and the firm that made the baking machinery had to include in their charges a sum to cover property taxes, special taxes on utilities, income taxes, etc., say four for each group	12
The bakery paid many taxes—license fees, gasoline taxes, property taxes, business taxes, transfer taxes on its share, cheque taxes, capitalization taxes, income taxes, to the number of at least	8
And we shall not bother to include the taxes on telegrams, telephone calls, sleeping car tickets, nor the customers' taxes and excise taxes on machinery and supplies brought by all the different parties to the manufacture of a loaf of bread. Nor the taxes paid by the workers in the bakery and the various supply houses. Even without allowing for these the more direct and easily discernible taxes paid total	61

Paramount Faces Difficult Period

Paramount Pictures, Inc., had a stormy annual meeting June 16, because of the disappointing showing in earnings over the last 12 months. The president, John E. Otterson, was not re-elected as director.

Stanton Griffis, acting chairman of the executive committee, expressed his opinion that Paramount's affairs are now improving. He said, however, "The industry as a whole has never faced a more difficult situation in which to make money from films, in view of high salaries that must be paid stars and directors; the embargoes in Europe against American films and increasing competition abroad."

Textile Probe Off Until Fall

Turgeon Will Then Investigate Courtaulds and Can. Celanese

From Our Own Correspondent

MONTREAL.—Royal Commission investigating the Dominion's textile industry, which first convened last March, has been adjourned and will likely resume sittings in August when affairs of Courtaulds (Canada) Ltd. and Canadian Celanese Co. will be gone into for final argument.

Study Japanese Threat

Considerable time of Commission and counsel has been taken up in determining the extent to which the Canadian industry was threatened by the imports of low cost rayon goods from Japan. The allegation of the manufacturers that this danger was real and caused the closing down of mills, which prompted the enquiry, does not appear to have been fully substantiated to date.

Page-Hersey Tubes Sales Show Increases

Page-Hersey Tubes sales in 1936 to date are well ahead of the same period in 1935. Prices have been well maintained, and though there has been advances in raw materials and labor costs, it is expected that this will be offset by better volume.

Share earnings in 1936 should be higher than the $3.68 a share in 1935. The change has not been important enough, however, to lead to hopes of higher dividends in the near future.

Gains and Losses In Business News

Gains and losses are freely mingled in current business figures of the week. On balance, however, gains more than balanced losses and raised The Financial Post business index into new high ground as shown on page 7.

		May	—Change— From prev. period %	From prev. year %
Monthly:				
Bldg. permits	$	4,160,983	+30	−12
Pig iron prod.	tons	58,830	+9	+29
Steel ingots	tons	94,605	−11	+3
Exports:				
Copper	cwt.	419,190	+43	+21
Nickel	cwt.	130,693	+17	+24
Zinc	cwt.	227,000	+128	+26
Planks & boards	M. ft.	138,894	+37	+5
Imports:				
Raw cotton	lb.	9,858,963	+10	−58
Petroleum	gal.	103,517,363	+45	+53
Crude rubber	lb.	4,974,572	+105	−43
Gold ship.	fine oz.	373,096	−10	−27
Silver ship.	f. oz.	1,449,295	+101	−74
Life insur. sales	$	28,977,000	−9	+8
Weekly:				
Car loadings	No.	45,920	+3	+0.4
Cattle sales	No.	13,911	+5	+34
Hog sales	No.	17,353	+3	+29

Pressed Metals Inc. Is Offering "Rights"

Pressed Metals of America, Inc. announces it will issue 11,299 shares of stock. Shareholders of record July 15 will be given rights to buy one new share for each 10 shares now held at $20 a share.

The stock has recently been quoted at 27½ bid, 28 asked. There are now outstanding 112,989 no par value common shares. Last quarterly dividend was 37½ cents a share. The company earned $1.60 a share in 1935 and is doing better in 1936.

Dealers Get Lower Prices On Cigarettes

Six Macdonald Brands Offered on New Low Basis

6 BRANDS LESS

With the "war" over premium cards in cigarettes only recently ironed out, new low prices to dealers on certain brands have made their appearance.

As yet only dealers are feeling the effects of this new step taken by Macdonald Tobacco Co., the industry's largest independent, no reduction being passed on to the consumer.

Here is the story of the latest developments:

Beginning this year new list prices on cigarettes were issued to the trade so as to pass on some of the saving accruing to manufacturers through abolition of premiums. The new price was $8.48 per thousand (less a 10 per cent discount to jobbers) compared with a former price of $8.68.

With the 2 per cent increase in sales tax on May 1, manufacturers decided to absorb 1½ per cent, but pass the remaining ½ per cent on to the trade. Accordingly, the list price remained at $8.48, but the discount to jobbers was only 9½ instead of 10 per cent.

New Price Threat

Recently, however, the Macdonald Tobacco Co. announced a new low list price of $7.48 on 6 brands, on top of which the company will absorb the entire 2 per cent increase in sales tax, and will also allow an additional 1 per cent discount for cash. This brings the net price for these cigarettes to about $6.66 compared with $7.67 for "standard" brands, or a cut of about 13 per cent.

Cigarettes on which these low prices to the trade are being quoted include Blends, Zig Zag, Steeplechase, Prince of Wales, Navy Cut and Menthol. The company's big-selling "Consols" are not included.

Profit Disappears?

Opinion in the trade is inclined toward the view that it is virtually impossible to manufacture cigarettes profitably under existing conditions on this basis. On each thousand cigarettes there is a $4 stamp tax which, together with other taxes, brings the total share of the government to about $4.53. Subtracting this from the net price of $6.66 quoted on the six price-cutting brands leaves but $2.12 per thousand, for the manufacturer, from which he must buy his raw material and meet all costs of manufacture, packaging, etc.

The corresponding "spread" for manufacturers, such as Imperial Tobacco Co., selling standard lines would be $3.14 (approximately), which is almost 50 per cent greater.

Supreme Court Decision

Opinion in the trade as to the probable effect of Supreme Court's knockout blow to Natural Products Marketing Act is that without voluntary co-operation between Macdonald and other manufacturers it will be difficult, if not impossible, to continue the type of control which has been achieved in the past year between growers and manufacturers.

Meanwhile, cigarettes entered for consumption in May topped the 500,000,000 mark for the first time since August of last year. The new figure was 5 per cent greater than the corresponding total for May, 1935. Cumulative figures for the first 5 months of 1936 are about 4 per cent ahead of 1935 figures.

Premium Shops Close

The hurry-up call to Canadian cigarette smokers to cash in their premium cards before the month-end marked another milestone in a "war" which has raged intermittently for the last two years.

Most leading manufacturers ceased to offer premium cards in their product Jan. 1, 1936. Premium stores are due to close definitely June 30, after which time premium cards will be of no value. Macdonald Co. still continues to pack cards in some of its brands and these will be redeemable only for playing cards.

Jobbers Revolt

This new deal in tobacco dates back to the revolt of the jobbing trade some two years ago against cut rate operations in the business. Jobbers felt they were not getting a large enough profit margin, and sought to remedy this by seeking the support of Walter M. Stewart, former head of the Macdonald company, and stormy petrel of the business.

Upshot of the movement was resignation of Mr. Stewart last November and the reaching of a virtual agreement between distributors and manufacturers on certain lines of policy. Mr. Stewart still owns and controls the company, though no longer its chief executive. Main points of the agreement reached included elimination of premium cards; decision not to offer cigarettes on a less than one-for-one-cent basis; wider profit margin for jobbers and retailers.

Canadian Dredge Gets Contracts in Jamaica

Canadian Dredge & Dock Co. has been awarded a contract by the British Colonial office for harbor improvements at Kingston and Port Antonia, Jamaica. The contract will last a year and employ 30 men.

MEMO
Sport Shirts
Flannels
Bathing Suit
Beach Robe
Golf Shoes
Cap
New Summer Ties
Shorts
Bathing Shoes
Palm Beach Suit

LET THE MEN'S SHOP FILL YOUR LIST . . .

Tick off the items one by one . . . bathing suit . . . beach robe, sport shirt, summer shoes, hat . . . From head to foot you can fill your list of holiday clothing needs in this one convenient store!

For the Men's Shop, Eaton's-College Street, is equipped to fill almost every requirement in clothes for sport, social, or business wear! You'll like the pleasant atmosphere of the Men's Shop . . . the helpful service . . . the fine choice of distinctive merchandise . . . and the moderate prices that prevail!

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

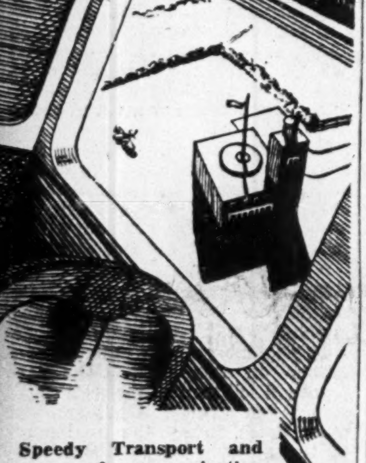
SCHLITZ BREWING CO. FORMED

The Canada Gazette reports incorporation as a private company of Jos. Schlitz Brewing Co. (Canada) to carry on a brewing business in Canada. The head office is in Toronto and the capital stock $100,000 made up of 1,000 shares of $100 par value.

Robert Simpson Co. To Extend Frontage

Provision for further immediate expansion of the Robert Simpson Co. business is seen in the announcement that the company has acquired the McConkey restaurant premises at 33 Queen Street West, Toronto. The property has a frontage of 34 feet and a depth of 108 feet.

Plans are for an entire remodelling of the present two-story building. A modern store front will be provided. And the new building, which is immediately west of the company's principal store, will be used for additional selling space. It will be given a new entrance just opposite the city hall on Queen Street.



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Further details from J. M. Scott, Development Officer, Horsefair Street, Leicester, England, or the Travel and Industrial Development Association of Great Britain and Ireland, 620 Fifth Ave., New York

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New Deal Decisions

Here is how the "New Deal" legislation of the Bennett Government fared in the decisions of the Supreme Court of Canada last week. The judges held:

Valid	Farmers' Creditors Arrangement Act. Section 498A of the Criminal Code.
Partly Valid	Dominion Trade and Industry Commission Act.
Invalid	Natural Products Marketing Act. Employment and Social Insurance Act.
Tie Verdict	Weekly Day of Rest in Industrial Undertakings Act. Minimum Wages Act. Limitation of Hours of Work Act.

Power of Dominion Stressed Throughout 'New Deal' Decisions

(Continued from page 1)

minion is really superior to the provinces.

What's Gone Before

A word or two on the background is essential to an understanding of the importance of this aspect of the judgments. The British North America Act divided jurisdiction as between the Dominion and the provinces in sections 91 and 92. The jurisdiction conferred was exclusive — neither party could invade the sphere of the other. Hence the ceaseless stream of litigation as to whether this Dominion statute encroaches on section 92, or the other provincial statute encroaches on section 91.

In section 132 of the B. N. A. Act, the Dominion was given sole authority, on behalf of Canada, to enter into international agreements. But here, again, it has always been believed that the exercise of this treaty-making power must be confined to matters placed by the statute within Dominion jurisdiction.

This point was sharply in dispute in the New Deal cases because the Bennett government asserted Dominion jurisdiction in social matters (minimum wages, unemployment insurance, the eight-hour day, the weekly day of rest, etc.) by ratifying Geneva conventions dealing with these matters.

Breaking New Ground

Having ratified these conventions, the New Deal statutes asserted Dominion jurisdiction to carry them out under section 132 of the B. N. A. Act. Never before has this treaty-making power been exploited, frankly and definitely, to bring larger jurisdiction to the Dominion, at the expense of the provinces. Lawyers agreed, fairly generally, that section 132 could not be exploited in this way; that the courts would never support a constitutional raid on the provinces via this route.

In the present judgments, however, the outstanding jurists on the Supreme Court do support Dominion jurisdiction under section 132. The judgments of these jurists state in plain language that the Dominion, under section 132, can enter into any international agreement it chooses to, provided the subject matter is suitable for such an agreement. And having arrived at an agreement, the Dominion, under section 132, is constitutionally able to enforce it, regardless of any invasion of provincial jurisdiction.

Thus, the Dominion appears likely to score the greatest constitutional triumph on record. The way is clearly open to all manner of Dominion social legislation regarding hours of labor, wages, etc., and provincial jurisdiction, otherwise air-tight, may well be ploughed under and obliterated.

Jurisdiction Specific

To this, however, there is one important qualification. When the Bennett government, in the Minimum Wage Act, decided that the precise terms of the international convention were unsuited to Canada and, therefore, sought, under this treaty-making power, a free hand to regulate wages—the Supreme Court unanimously condemned this section of the statute. It follows, that if the Dominion acquires jurisdiction under international agreements, the jurisdiction is specific and limited. The Dominion can enforce the terms of the agreement, but cannot vary them. It cannot exploit section 132 to take over wide areas of jurisdiction, to be occupied later as Ottawa sees fit. The jurisdiction acquired is to enforce the exact terms of the agreement. Unless the agreement is varied the enforcement cannot be varied.

So that while Ottawa sees rich promise of a greatly widened jurisdiction, there, undoubtedly, will be rigidities which will detract from its value.

No point divided the Supreme Court more sharply than this question of Dominion power under section 132; none will be more stoutly controverted at London by the provinces.

Unanimous on Marketing

In broad terms, the court judgments effectively knock on the head, Ottawa's ambitions to regulate production and industry. The Natural Products Marketing Act, the most grandiose of the Bennett ministry's schemes to regulate things, was thrown into the Supreme Court's waste paper basket without one dissenting murmur. The statute is now regarded on Parliament Hill as being as dead as Julius Caesar. It is extremely doubtful if the Dominion will seek leave to appeal it to the Privy Council; even more doubtful if the Privy Council would grant leave, in view of the unanimity of the Supreme Court. The Marketing Act foundered because it strove to do two things: to regulate actual production within a province and to single out one commodity from among others for regulation. The Supreme Court restated the accepted constitutional doctrine that Dominion jurisdiction is confined to interprovincial and foreign trade. Local production is a matter of provincial jurisdiction.

Take Out Backbone

The second regulatory statute was the Trade and Industry Commission. Here, the court unanimously excised section 14 which is the vertebra of the statute. Under section 14, the proposed commission was empowered to legalize combines, agreements as to price and production and so forth,—to realize some of the deepest longings of Hon. Harry Stevens and a group of industrialists who were extremely active in the Price Spreads enquiry.

On the point of state regulation, the Dominion suffers a complete and crushing defeat. The treaty-making power was not a factor in this statute: the Dominion was relying upon its authority over trade and commerce, its power to create crimes and so on.

The chief base of the Dominion's claim to jurisdiction in the matter of social reform, was the treaty-making power. The Eight-Hour-Day Act, the Minimum Wage Act, the Weekly-Day-of-Rest Act —all were based on Geneva conventions. Here, the judgments are three for and three against. In a legal sense, this means that the Supreme Court gave no judgment at all. But, subject to the qualification above noted, the three judgments supporting these statutes are regarded as weighty and as likely to obtain the concurrence of the Privy Council.

Discrimination a Crime

In the division of ordinary statutes comes the Criminal Code provision, enacted as part of the Bennett New Deal, making it a crime to discriminate in price, etc. The court sustained the constitutionality of this provision and it may now be accepted as part of the Criminal Code. Inasmuch as the code is enforced by the provincial attorneys-general, there is nothing revolutionary in this change, although enforcement might cause a flurry in trade circles.

The Farmers' Creditors Arrangement Act also survived (5 judges for, one against) and it is thought doubtful if the provinces will seek to appeal. The Dominion jurisdiction over bankruptcy and insolvency is specifically declared by the British North America Act, and the only point in doubt was whether this statute could be defended as a measure dealing with bankruptcy. For the reason that all farmers, when coming under the act must file a petition in bankruptcy, the attack on the statute was never regarded at Ottawa as serious.

See Reversal on Appeal

Finally, there is the Employment and Social Insurance Act, which failed, 2 for and 4 against. Ottawa is very confident this statute will survive the Privy Council, placing confidence in the favorable judgment of Sir Lyman P. Duff, the chief justice. Curiously enough, the 2 supporting judgments scarcely noted the arguments advanced by Dominion counsel at the court hearings but sustained the statute on grounds which were scarcely mentioned.

This statute also sought constitutionality by claiming jurisdiction under the treaty-making power. But it was supported on the broad ground that the Dominion can tax in any way it pleases and can spend Dominion money for any purpose deemed worthy. The premiums demanded under the statute are justified as a plain tax, and the benefits as a plain expenditure. No regulation or intereference with business is contemplated by the statute, so these questions did not arise.

This statute was condemned by 4 of the judges largely on the ground that insurance is a business and, as such, within provincial jurisdiction.

The Nation's Business

(Continued from page 1)

desperado to write verses for Easter cards as to ask the nations to practise Woodrow Wilson idealism in the infancy of internationalism.

In Britain, the extremists are ranged into two camps on foreign policy—one strongly League, the other strongly nationalist. In between, the well meaning, earnest citizen does not know where to turn, whether to the professional pacifist or the professional jingoist.

Therein lies one of the risks of the present situation: that the swing away from the League will make the going too easy for the propagandists of war and the armament makers. League idealism may die in Britain, but if it dies it may stay dead for a long time.

* * *

RELIANCE on the League of Nations and faith in collective security have been as firmly planted in the public psychology in Canada as in Britain, and if we reject them, we shall do so with even keener disappointment. As one of the group of peace-loving, smaller nations represented at Geneva, Canada will probably seek to keep the League alive and active. Yet Canada's long continued belief in the League ideal has always been tempered by bitter realization of the League's weaknesses; the impractical character of much of its work; its domination by France and the other intransigent, non-revisionist countries whose support for the League was conditional upon the League's support for a non-reformed Treaty of Versailles; its failure to come to grips with facts or to make decisions.

* * *

MR. KING took two hours the other day to outline to the House of Commons his conception of Canada's position in the League. In essence, what he said was that Canada was in the League and wanted the League but only as a co-operative agency for peace; that Canada would not assume any unlimited or undefined obligations; nor was it interested in a League organized primarily for the punishment of aggressors. Canada is not participating in an international police force or war office, Mr. King made clear. At the same time it wants the League to be more than a mere debating society; it wants it to dig to the root of the causes of world economic unrest.

It was a fairly realistic address on the League that Mr. King made. A realistic approach to the League is unavoidable now. The idealism inherent in Geneva has never gotten far beyond the preliminary stage of being used as a tool for the selfish nationalism of individual countries dominant in League affairs. This may be no excuse for Canada's withdrawal from the League; but it is sufficient reason for this country—and Britain—continuing to restrict their obligations under the covenant even though they participate in any constructive reform of the League. Such reform will take many years. It cannot be done as at a single session of the League, possibly not at ten such assemblies.

* * *

Central Bank "Nationalized"

THERE were a good many people who thought that the present government at Ottawa was irrevocably committed to outright public ownership of the Bank of Canada. But when they began to read Mr. King's campaign speeches they found that he had gone no further than promising "restoration of control by the state of over currency and credit through the reconstitution of the Bank of Canada." The promise has been implemented. The government now holds control of the central bank—or will shortly—both through ownership of the majority of shares and nomination of a voting majority on the board of directors.

It is not likely that this will make much difference in the management or operation of the bank. The public may never be aware of the change. (For that matter the public, generally speaking, is not aware of anything the bank does anyway, a central bank being something that only bankers and economists even understand). The government seems to feel vaguely that there might come a crisis in public finance when the "people" ought to be certain of their control of currency and credit. Probably the government has no more effective control of the bank than it had before anyway. An irreconcilable conflict between the bank and the government seems about as remote a possibility as a scrap between the governor of the Bank of England and the Chancellor of the Exchequer. But Mr. King and his fellow Liberals made a promise to "nationalize" the bank and they had to keep their promise willy-nilly.

* * *

THE FINANCIAL POST foresaw what was going to happen last November. It published three articles by A. F. W. Plumptre, of the University of Toronto and one of the secretaries of the MacMillan Commission, in which was outlined a plan whereby the bank could be nationalized by purchase of an additional $5 millions of stock and appointment of a majority of the board. This would give the government control without losing the benefits of a private interest in the shares and without disturbing the present shareholders. Outside of increasing the new stock from $5 millions to $5.1 millions, the government has followed in outline the plan suggested in The Post. Thus it has reconciled pre-election promises with the need for keeping the bank from becoming a mere department of government.

* * *

An Unfortunate Banking Incident

ONE of the most unfortunate aspects of the turmoil that preceded Premier Taschereau's downfall was the reflection cast on the banks.

Payment of interest on government funds to the personal account of an official apparently has been in effect in the province for some time. It was testified that on appointment of A. C. Taschereau to the position of government accountant, he was approached by the bank with the purpose of continuing the practice.

The fact that a bank not only tolerated, but actually encouraged, a practice which, when exposed, played a major part in resignation of a provincial premier and other officials and which may cause the final overthrow of a government cannot but react unfavorably.

* * *

CANADIAN banks carry a weighty responsibility to the nation as a whole. They are essentially public institutions. As such, their actions should be entirely beyond reproach, open to public scrutiny and endorsement.

At a time when depression has opened the ears of a substantial section of the people to quack money "experts," with their radical doctrines and their criticism of existing financial institutions, it is particularly regrettable that a bank has condoned a procedure of rather dubious character. The Quebec case was probably an isolated instance, but many will seize upon it as being typical of the banking system as a whole. Actually, the banks generally are justifiably jealous of the reputation for sound, honest administration which they have earned, and are keenly alive to their responsibilities.

Metal Prices

New York—June 23—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.

London—June 23—
(Long Ton)—
Copper: Electrolytic spot, £40 15s; future, £41 2s 6d. Standard spot, £36 12s; future, £36 18s 9d.
Tin: Spot, £185; future, 181 10s.
Lead: Spot, £15 2s 6d; future, £15 3s 9d.
Zinc: Spot, £13 17s 6d; future, £14 2s 6d.
Gold: 138s 9d.
Silver: 19¾d.

Canada—June 23—
Gold: $34.89.

Bennett New Deal Laws Still Deemed Academic

No immediate change in Ottawa's attitude toward business control legislation is anticipated as a result of the Supreme Court rulings last week.

Rulings of special interest to business are those respecting Criminal Code amendments aimed to outlaw discriminatory discounts, allowances and rebates, also the Dominion Trade and Industry Commission, whose chief job is to legalize certain forms of business combinations.

The Supreme Court judges upheld the Criminal Code amendments as within the jurisdiction of the federal government, but the feeling seems general that there are so many loopholes to the law as it stands that it would be extremely difficult, if not impossible, to enforce.

Meanwhile, until a final judgment has been received from the Privy Council the matter is deemed only of academic interest to business and is likely to remain so for some time.

Trade and Industry Body

By throwing out section 14 of the Dominion Trade and Industry Commission Act the Court removes its most important function, namely machinery to supervise industries which aim to control or regulate production or prices. Prior to the submission of this act to the court, this body (which is synonomus to the Tariff Board) had begun to lay down rules and regulations for its guidance, but little has been done in the interim except to exercise a watching brief on matters coming within its purview.

According to the Ottawa correspondent of Hardware and Metal, various groups have drawn up agreements and endeavored to have them approved, but were advised to wait and see. At the same time the commission has advised that any reported invasions would be investigated. A few complaints, it is said, have reached this body during the last two months, but there have been no prosecutions, and in each case a warning letter has brought the desired result. Whether even this policy will now be abandoned remains to be seen.

Fraudulent Advertising

One important feature of the new deal legislation is the criminal code amendment dealing with fraudulent advertising and guarantees. This clause was not submitted to the Supreme Court and (it is understood) was to have been brought up in Parliament during the session just closed.

As neither of these eventualities have occurred it is thought unlikely the law will be enforced for the time being, although an action under it might conceivably be brought at any time by anyone anxious to invoke the statute.

See Inflation On Vast Scale

(Continued from page 1)

Economist suggests that it cannot get under way until the deflationary phase of the world crisis has passed. This will come with the devaluation of the franc. There will then have to be a powerful initial stimulus from some country. It is suggested that the United States will probably start the inflation ball rolling. The cash basis of the American banking system has increased to an extraordinary degree and the potential supply of money is enormous. The monetary authorities of the country have little power to control an inflation, once it gets started, and moreover the persons in charge of that country's monetary system are confessed expansionists. Unbalanced United States budgets give additional strength to forecasts of inflation.

The Economist expects the inflation to spread from the United States throughout the world with major and favorable effects on prices, trade and employment. It concludes that "the outlook for international trade is more promising today than for some time past."

Larger Gold Supplies

Both increased gold production and revaluation of gold have served to increase the monetary basis for currency and credit creation in the world. By 1940 annual gold production available for monetary purposes will have increased from 10.5 million oz. yearly to 32 million oz. Assuming an average increase of gold prices of 50 per cent (equivalent to a devaluation of currencies to a 66 2/3 per cent basis) this will increase the value of gold production from $225 millions annually in the 1925-1929 period to $1,000 millions in 1940.

The world's monetary gold stocks in 1929 amounted to 553.6 million oz. worth $11,459 millions. The present stocks of 734.3 million ounces have a worth of $22,792 millions (assuming an average revaluation on a 63 2/3 per cent basis.)

This is an increase of 98.9 per cent over the 1929 value of the then existing monetary gold stocks. As a matter of fact at present prices of gold the world's supplies are worth, in Canadian dollars, 10 per cent more than the figure quoted.

N. W. UTILITIES PLAN EFFECTED

Supplementary letters patent have been issued from Ottawa under date of June 11, 1936, declaring the compromise or arrangement agreed to on May 2, 1936, to be binding on Northwestern Utilities, Ltd., and on the holders of the 6 per cent cumulative prior preference shares, the 8 per cent cumulative preference shares and the common stock.

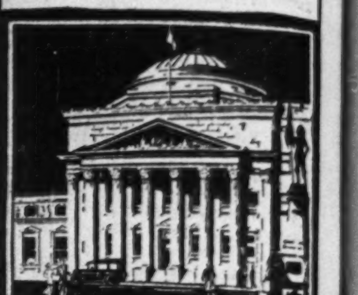
Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.80	4.15
Can. Equity	12.00	....
Can. Invest. Fund	4.25	4.50
Grouped Income	3.94	6.50
Can. Inter. Tr. Shs.	1.50	3.00
Do., pref.	35	....

Silver Prices

Trading in Montreal
June 15 to June 20

	High	Low	Close	Contracts
June	44.75	44.75	44.63	1
July	44.85	44.60	44.68	3
Sept.	44.76	44.76	44.76	3
Dec.	44.85	44.85	44.80	1



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AUTUMN FAIR — AUGUST 30 TO SEPTEMBER 3, 1936

Plan Accepted To Pay Stock Of Dairy Corp.

Debenture Interest Now Payable in "A" Shares

MAY ISSUE BONDS

Dairy Corp. of Canada Ltd. will pay debenture interest in the form of class A shares as part of a larger plan to eliminate the company's bank indebtedness and to conserve cash for future interest and dividend requirements.

The plan, adopted unanimously at special meetings of shareholders and debenture holders in Toronto, involves payment of one class A share of the corporation in lieu of interest which falls due July 1, 1936, on the basis of one class A share for each $3 due in interest.

Provision is made for continuance of this plan for debenture interest payments due on January 1 and July 1 in 1937 and 1938. Should operating results and earnings warrant, however, the arrangement may be terminated prior to July 1, 1938 and cash debenture interest payments resumed.

Bank Loans About $600,000

J. A. Caulder, president, informed shareholders it is probable earnings this year will be sufficient to pay interest on the bank loan and debenture interest requirements, but the company cannot pay debenture interest in cash while current bank loans of about $600,000 are outstanding.

As a result, the company would be in default of interest on July 1, and the only alternative is the plan for distribution of class A stock. The effect of the stock interest payment will be to add 5,789 class A shares to the outstanding common stock each 6 months. This will have the effect of slightly diluting common shareholders' equities, book value of the shares at present being $4.61. On the other hand Mr. Caulder hinted at the possibility that the present move is merely one step in a larger plan to reorganize 'the company's capital structure on a stronger basis, in lieu of default on July 1.

To Pay Bank Loan

"We hope soon to be able to present a plan to clean up the bank loans," said Mr. Caulder, adding that when this is done the company will be in an entirely different position," regarding dividends. Bank loans at March 31, 1936, totalled $592,850 plus interest.

Although no announcement has been made, The Financial Post understands officials are giving serious consideration to funding the bank loan by means of a bond issue, if operating results continue to improve at the same rate as in the last year.

Bank loans are a legacy from the depression, in which the company's business suffered severely. According to Mr. Caulder, marked improvement is taking place, however, in operating results of the subsidiary units and last year all the constituent companies with the exception of the Montreal subsidiary, made net profits.

The meeting of shareholders and debenture holders was sparsely attended. Only 304 class A shares were represented in person, with 25,386-1/5 by proxy. One hundred shares of class B in person and 20,060 class B by proxy were represented.

Approval of the plan to pay debenture interest in class A stocks was unanimous among the $941,500 of debentures represented out of an outstanding $1,200,000.

B. C. Electric to Start Big Improvement Plan

From Our Own Correspondent

VANCOUVER. — B. C. Electric Railway will start work on its $1 million improvement programme during the next few weeks and hopes to finish it by the end of 1937.

The work will include construction of a sub-station in Vancouver at a cost of $85,000, equipping it at a cost of $250,000 and the placing of high tension facilities underground. Ducts for the underground work will cost about $200,000, exclusive of the cost of cables.

Preliminary estimates of the cost of the new sub-station, in the Grandview district, total $535,000. President W. G. Murrin says that the ultimate cost will be probably more than $1 million.

Licking Bugs

That's Charles F. Kettering's Job as He Sees it—Famous Automotive Engineer Gives Cure for Unemployment

By KENNETH R. WILSON

"It's just another bug—and we've got to lick it."

The speaker is Charles F. Kettering.

He is tipping back his chair in his office atop the General Motors Research laboratories building in Detroit.

A few minutes before we had been talking about his latest achievement in the field of medical science—then a telephone call had brought him back to the automotive world in which he really belongs—to the "bugs" which he has spent his life trying to "lick."

Just that day newspapers across the continent had given front page publicity to the amazing things his "fever" box is doing in the field of medicine. Yet Charles Kettering—the man who invented the first self-starter for automobiles; the man who created Delco lighting and power plants; the man who made quick-drying paint commercially possible—has no apparent connection with the medical profession, so I asked him how his name came to be linked as a public benefactor at last month's meeting of the American Medical Association.

Late For Lunch

The scene goes back eight or nine years to a summer's day in Dayton, Ohio. "Ket," as everyone calls him, had come into town late for lunch. Instead of going home he dropped in for a snack at a downtown hotel. A group of doctors were holding a luncheon meeting, so they asked this famous Daytonian to join them.

"What is the most difficult problem of a practising physician?" asked Kettering.

Back came the answer: "How to keep up to date and make a living."

Making a living was conceded a personal problem, but the doctors felt pretty much agreed on the need of better contacts to keep them from not being out of date.

This germ of an idea apparently bore fruit, and the upshot was the first co-operative medical research group to be formed in America; underwritten for a 5-year period by the automotive engineer who had been late for lunch.

The Fever Box

And so far, the major achievement of this co-operative research effort has been the "fever" box. Years ago, "Doc" Whitney of General Electric developed a high frequency electrical machine capable of giving humans an artificial fever. Doctors sensed the practical use of such a device if it could be controlled without serious after-effects.

Kettering's private venture in medical research took up the problem, made interesting discoveries and much progress. They found, for example, that the only detrimental effect of a high fever was the loss of natural body salts through perspiration. By replacing this salt carefully as it disappeared, a patient could be given a high "artificial" fever, be cooled down and walk out of the hospital a few hours later without any ill effects.

Amazing Results

Having got this far, the next job was to find practical applications of the new device. Some 40 or 50 machines were obtained and distributed to 24 key hospitals throughout the U.S.A. At each point the research has been continued on one specific subject, and it is along these various fronts that amazing progress, as reported at last month's meeting of the American Medical Association, has been made.

For example, in the Ford hospital at Detroit, eye infections from a rusty nail, a hockey stick, a splinter, responded miraculously to this treatment when loss of sight seemed otherwise inevitable. Many diseases which have plagued mankind for centuries are showing equally spectacular results but there is reticence about making the fact known generally for fear of misuse by quacks.

Ohio Farm Boy

C. F. Kettering has been doing things like this in the automotive world ever since he came from his father's farm in Ashland County, Ohio, 35 years ago. For a short time he taught school, and after hiring himself out as installation man to a local telephone company he joined National Cash Register Company at Dayton.

Twenty-five years ago he organized his own company to manufacture one of the best known of all his inventions—the Delco self-starter for automobiles. "Delco" comes from the company name—Dayton Engineering Laboratories Company. Shortly afterwards, he established his own research laboratory at Dayton which in 1920 was taken over by General Motors Corp. Today his "work shop" as he calls it, and his family and personal interests are still at Dayton, though his big job—as vice-president and director of General Motors Corp. and general director of the General Motors Research Laboratories section—is in Detroit.

CHARLES F. KETTERING

Every time you step on your automobile starter; every time you see a Delco light and power plant at work; every time you use quick-drying paints and lacquers—you should think of Mr. Kettering.

General Motors Corporation thinks so much of him they paid him a quarter of a million dollars last year to run their research laboratories.

His cure for unemployment and the depression is the raising of industrial children as told in the adjoining interview with Kenneth R. Wilson.

Won't Talk Cars

Since 25 years of his life have been devoted almost entirely to automotive research, one would expect Mr. Kettering might talk freely about this great industry with whose progress his name is so intimately linked.

As a matter of fact, that is the one thing he won't talk about.

His argument is simply that while his organization knows in a general way the pathway along which they expect the automobile to progress in the next 5 or 10 years, it refuses to give publicity to these beliefs because of the possible destructive effects such pronouncements might have on the commercial side of their business.

Then too, Mr. Kettering is one of the first to admit that almost anything might happen along this broad front to change—perhaps overnight—the normal upward course of events in automotive engineering.

His Simple Formula

His formula, however, is a simple one, and applicable to any business. He sees research as an insurance policy against being out of date, and, just as in the case of the Dayton doctors, he thinks the insurance should be taken out by the group rather than by the individual.

The way to approach the problem of industrial research, thinks Mr. Kettering, is for each of us to take pencil and paper and jot down the 10 things we think are wrong with our particular business or job. It is not necessary that we tackle these perhaps in the order of their importance, but it is essential that we tackle at least one of them and try to find an answer to the problem. By first tackling an easy problem, answers may be suggested to other more difficult problems, and thus we make a start along the road to systematic research.

This individual work becomes really effective, thinks Mr. Kettering, when co-ordinated as a group effort. Thus by bringing the best minds—those best trained in scientific analysis and thought—to bear on these problems, there lies a sure way out of unemployment and depression if we will only co-ordinate our efforts properly.

"Industry grows like corn. You plant the seed and you wait until the development comes. If the industry is small, it grows in a short time. If it is a great industry, it takes a long time.

Raising Industrial Children

"Every industry, whether large or small, has to pass first through what I call the academic stage. From there it goes to the shirt-losing stage until we know whether it is going to be profitable or not from a financial standpoint. Once it gets past that stage it begins to make its real contribution to employment and to the satisfaction of human desires and needs. It creates new wealth, new opportunity, new capital.

"But there is a danger of our becoming too expert in bookkeeping. We have got to stop thinking about development of new industries on the basis of profit and loss. I sometimes think if we tried to raise human children the way we try to raise industrial children, a baby 9 months old would have to be earning its living.

"It is these industrial children of tomorrow which are going to pull all of us out of the depression and into prosperous times again. Yet when you apply these bookkeeping methods to research and industrial development, you fail just as much as if you tried to budget your baby's bath or milk bottles.

Insurance for Industry

"We must treat research therefore as an insurance policy. What we pay for research must be thought of on an actuarial basis; that over a given period of time and over a fairly large number of projects enough good will come to make it worth while.

"The depression cost us billions of dollars, and yet a billion dollars a year would keep five or six hundred research laboratories going full time provided you could get the men.

"As yet we haven't enough trained men to run that many laboratories, but if we had, and had them running for three or four years, the banks would have no money and there would be no unemployment.

"I think we engineers are to blame because we have not been as active as we should in getting our financial advisers to recognize that development of industry is as important as the operation of industry.

"In short, we have got to find a way of getting research and industrial development past the 'shirt-losing' stage successfully. Our best bet, as I see it, is through the group plan of research. Unfortunately, we don't know as yet how to do group work very well.

General Motors Trains

"For example, who would ever have thought two years ago that General Motors Corp. would be in the railroad business? Anyone who would have suggested such a thing would have been thrown out the window. Yet today two of our companies, Electro-Motive Corp., and the Winton Engine Corporation are making railroad history by building and powering with Diesel engines such famous trains as the Burlington Zephyr, the Flying Yankee, the green Diamond, the Abraham Lincoln, the City of Los Angeles and so forth."

"These trains," said Mr. Sloan, "token the limitless possibilities for multiplying jobs.

"A vast part of this opportunity today lies in replacing the old with the new—of putting to work the tremendous advances in technology sweated out by the partnership of industry and science, intensified during the years of depression.

"The way to increase employment is to create more jobs by making existing goods and services constantly better—greater in value—lowering their costs not by reducing wages but by greater efficiency, advanced technology and better management. And not only by this building better the things of today, but by pioneering new things to build tomorrow, and by making all things more attractive and more desirable we create wider markets."

"How about Canada's own railway problem?" I asked Mr. Kettering. "How are we to find new money to replace old equipment when we are already loaded to the ground with debt on old equipment on which we can't even pay the interest?"

"First you've got to start to make your lines pay, and then use your profits for obsolescence. If you do this regularly and consistently for 10 or 15 years, you will have gone a long way to solve the problem and replace old equipment with new."

Personal Achievements

On his desk as we talked was a large gold medal—the John Scott Award presented to him in April for his services to humanity in inventing the automobile self-starter. It seemed a long time (25 years) to have to wait for such recognition, but Mr. Kettering laughingly explained it by saying that he was a westerner and that to the Philadelphians the U. S. really stopped at the Alleghanies.

This prompted a question as to which invention Mr. Kettering considered his most important.

"I don't think I am proud of any of them," he countered. "There are too many failures, and the work is too irksome to boast about the ones that do turn out right."

And to look at him as he sits back in his shirt sleeves (green shirt sleeves the day I saw him), one would little suspect that in addition to being a fellow of the National Academy of Sciences, Charles Kettering has been 4 times honored with the degree of Doctor of Engineering, 5 times with the degree of Doctor of Science, not to speak of the Sullivant medal awarded by his Alma Mater—(Ohio State University)—the Washington Award and the Franklin gold medal.

Next August, "Ket" celebrates his 60th birthday. Just how many "bugs" he has licked in that time, no one knows. But judging by salary figures published the other day by the federal Securities and Exchange Commission in the United States, (his remuneration from General Motors last year was given as $249,888) he is probably the world's most highly paid bug-licker.

Kettering Has Snowdrift Cure!

Charles F. Kettering has a brand new cure for Canada's winter time traffic problem.

On his desk he has a picture of a powerful yacht—the Olive Kay (named after his wife). It was built in 1928 for Diesel development work, and out of it came the Burlington Zephyr and a score of crack modern trains powered with the Diesel engines of a wholly-owned General Motors subsidiary.

Perhaps it isn't new—perhaps someone learned it before. At any rate, one of the thing these new Dieseled-darlings have taught the engineers is that if you hit a snow drift at 85 miles an hour it explodes completely—offers no resistance.

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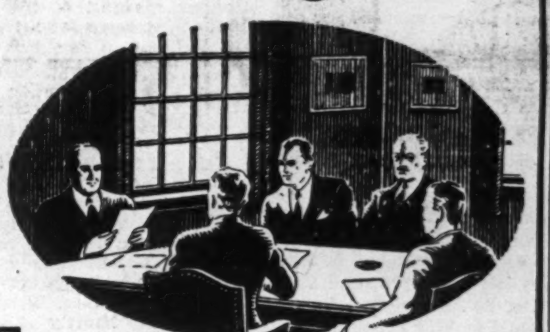

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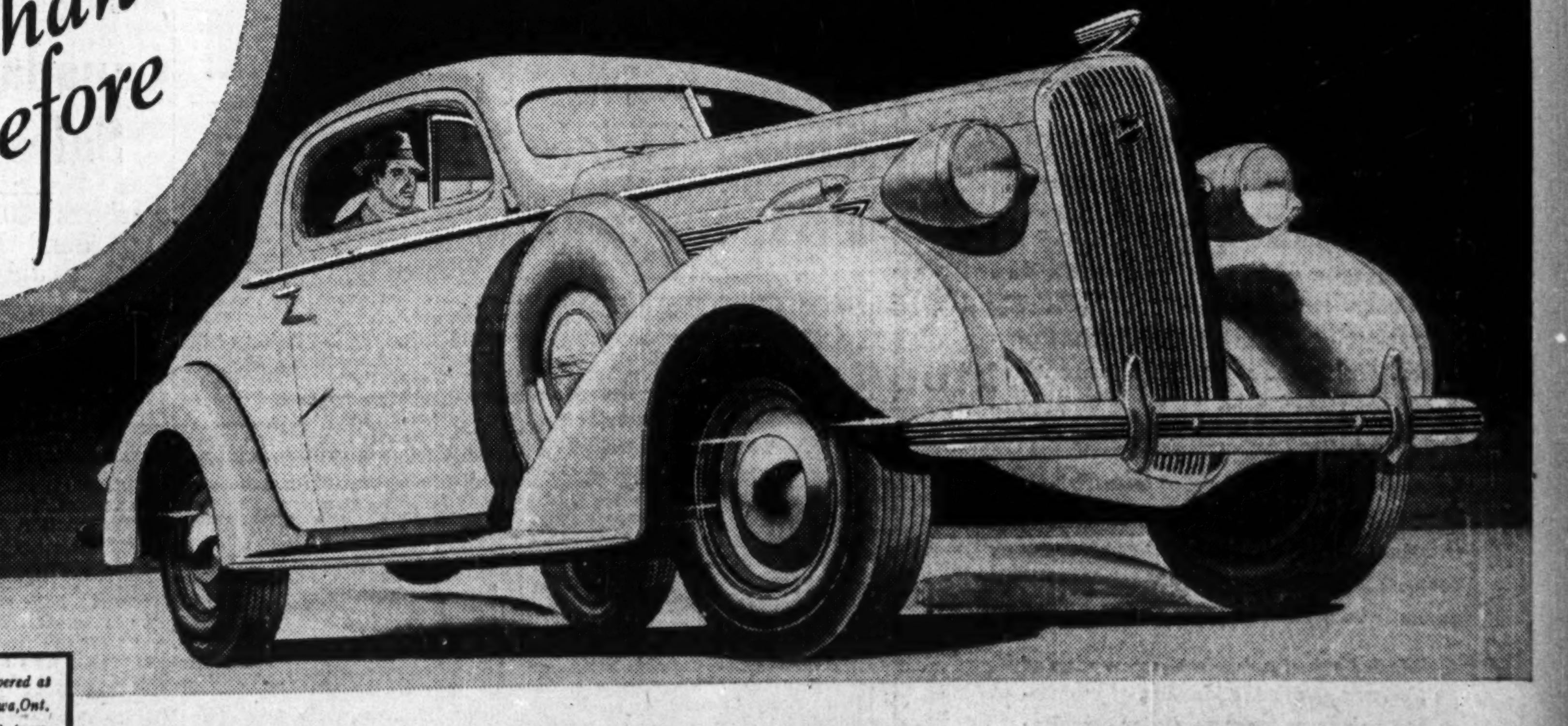


Investment Trends

Deferred Buying is Seen As Investment Influence

Inflow of Funds Creating Heavy Backlog of Demand for Canadian Securities — New York Market May Initiate Buying

Confidence is replacing the nervous atmosphere that has surrounded an unimpressive and stagnant Canadian investment market in recent weeks.

Prices have not broken out of their narrow trading limits, and there is still no sign of a concerted buying movement, apart from a few isolated issues which have reached new peak levels, but on the other hand the absence of acute selling pressure in the face of unsettled European political and monetary conditions is significant.

The reason is that while ample cause for investment caution exists there is also an increasing supply of investment funds seeking profitable employment. The supply is increasing rather than diminishing and it is acting as a cushion for any selling that the market is called upon to absorb. It is also creating a deferred demand for investments that sooner or later will reflect itself in price levels.

Evidence of the backlog of investment buying is seen this week in the rise of individual issues, including International Nickel, Noranda and National Breweries. Selective buying, largely domestic in character, is responsible and it too is significant of reviving confidence in conjunction with an absence of pressing liquidation in other quarters of the market.

Against these indications are factors which continue to retard aggressive investment policies. European political and financial affairs are in a state of flux with little prospect of early stability. Business news, while moderately encouraging in Canada and the U. S., is not of a type to stimulate active speculative or investment buying, and investors meanwhile are finding it increasingly difficult to obtain profitable yields.

Europe and Great Britain are likewise finding difficulty in securing new outlets for safe and profitable investments, and both are looking toward North America. European money is emigrating from a sense of insecurity; that of Great Britain because further business recovery in the United Kingdom appears to be narrowing into the heavy industries, and there are few investment bargains remaining there.

Investment observers meanwhile look toward the New York market for the first indications of renewed activity.

Yield vs. Safety

ONE of the oldest theories of investment practice is that safety of the investment and income return are in inverse ratio.

Investors, institutions and those who seek a conservative return, regard 5 per cent as the maximum under existing conditions. Among Canadian securities yielding in excess of 5 per cent at current prices are securities varying widely in book value, marketability and possibilities for appreciation in price.

The following include yields from 5 to more than 6 per cent: Canada Malting, Canadian Canners A preferred, Canadian Dredge, Canadian Oil preferred, Dome Mines, Dominion Coal preferred, Dominion Textile, International Petroleum, Lake Shore, Tamblyn preferred, Teck-Hughes, Toronto Elevators preferred, Walker's common, and Wright-Hargreaves.

* * *

Obdurate Alberta

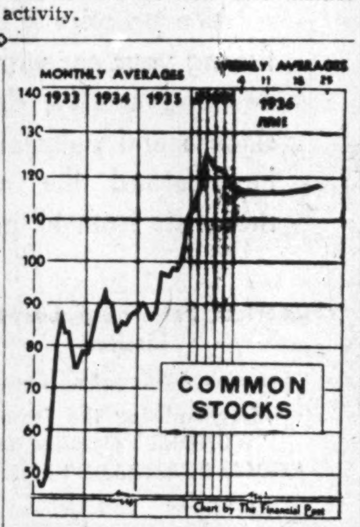
PREMIER ABERHART'S "conversion" plan with its 50 per cent reduction in Alberta bond interest is seen by "The Economist" of London as a further evidence of "the principles elucidated by the mayor of Vancouver in January last year."

Says "The Economist":

"The treatment of Alberta's creditors is the more serious since it follows, not merely bankruptcy but financial obduracy. Alberta has dismissed the proposed loan council of Mr. Dunning with one hand, while making suppliant gestures for federal assistance on the other.

"The discussions, however, have been unavailing, and, by default of certain dollar maturities this year, Alberta has gone down in history as the first Canadian province to default.

"Canadian stocks have inevitably suffered a reaction on the news, although far-sighted bondholders may well feel sympathy with the federal authorities not merely in their attempt to assist the western provinces, but also for their refusal to submit to inordinate pressure. It would be intolerable, on a long-term view of Canadian finances, if an appeal by any province to avert default were to push bargaining to the point of blackmail."



HIGHER

Little change in common share prices during the week reflects underlying buying support on Canadian exchanges. The index shows a slight gain but fails to reveal any pronounced tendency in either direction as a result of the continued lack of incentive for active trading.

National Cash Register Moves Into New Plant

National Cash Register Co. moved into its new Canadian plant at Lansdowne and Dundas Sts., Toronto, this week. In addition to supplying the domestic market, the new plant will also handle the growing trade in its products with the British Empire. Established in Canada very shortly after the first cash register model was invented the steadily increasing demand resulted in National Cash Register securing newer and larger quarters four times—in 1904, 1914, 1918 and 1923. Now for the fifth time the Company expands.

Special attention at the new plant, a picture of which appeared in The Financial Post, is the consideration shown for the comfort of the employees. Artificial lighting is unnecessary, except on the very dullest days. Heating and air-conditioning systems of the most up-to-date types have been installed.

Increase Directorate

From Our Own Correspondent

MONTREAL. — Shareholders of Sherwin-Williams Co. of Canada, at a special meeting held in Montreal, approved a by-law increasing the number of directors on the board from eight to nine.

Quebec's Mining Industry

NEW MAP of North-Western Quebec Gold Mining Area

The development in recent years of the mining area of North-Western Quebec has been more pronounced relatively than that of any other part of the Dominion. Gold production for the month of April registered a record high with production for the first four months of 1936 running nearly 60% ahead of last year.

The outlook for the balance of 1936 indicates this progress will continue, as several important mines are expected to come into operation.

We have just published a new map of the area giving the location of producing mines, properties under development and prospects. Copy on request.

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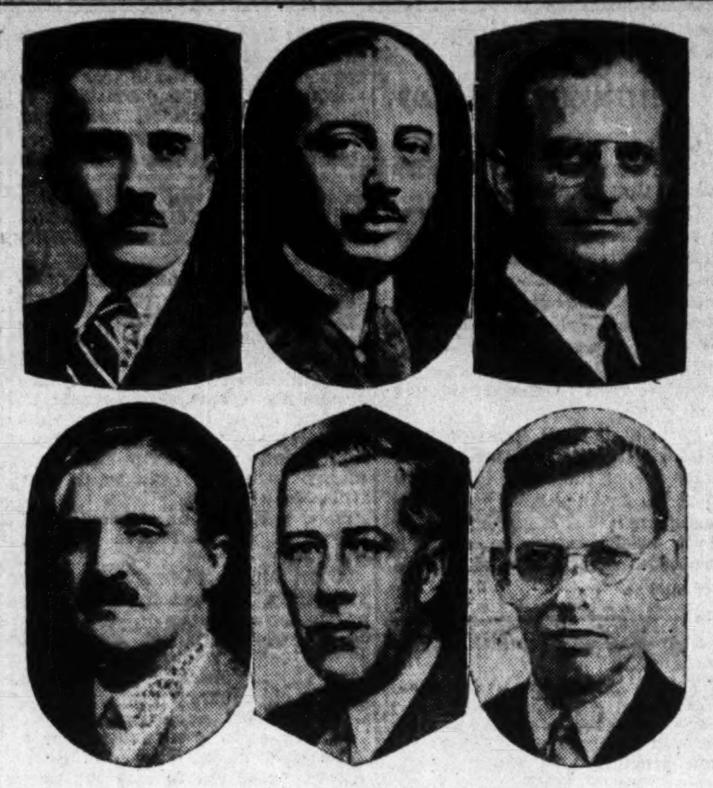

EXCHANGE MANAGING COMMITTEE

Here are members of the managing committee of the Toronto Stock Exchange named at the annual meeting. Top row, from left to right, are: F. J. Crawford, G. W. Nicholson, E. Gordon Wills. Bottom: R. B. Duggan, T. A. Richardson and G. R. Bongard.

Investment Notes

Gypsum, Lime and Alabastine has attracted further investment interest following reports of a 25 per cent gain in sales for the first five months of the company's fiscal year. Investors are buying the stock on its medium-long term prospects, content to forego current dividend returns in anticipation of improvement over a period. Working capital is the highest since 1931 and the company is in a position to take full advantage of a large scale building revival if, as and when.

* * *

Massey-Harris five per cent preferred shares are in arrears of dividends to the extent of $3.3 millions. Meanwhile the company and holders of large blocks of bonds are attempting to reach a compromise on the sinking fund default, but there is little encouragement for preferred holders in the report that bondholders object to any concessions being used to make dividend payments.

* * *

National Breweries' gains in sales this year are attributed largely to further inroads into the competitive Ontario field. Sales in Quebec and the Maritimes are estimated at about the same level as last year. Since raw material and labor costs are somewhat higher, no major change is indicated in net profits. The company is expected to equal if not improve the $2.46 earned on the common in 1935, if sales improvement continues throughout the season.

* * *

Rogers-Majestic is expected to share in the indicated increase of business volume among Canadian radio manufacturers this year. The company is a leading unit of the industry, but to date has experienced difficulty in translating sales volume into profits.

* * *

McColl-Frontenac is understood to be experiencing somewhat higher revenues from increased Canadian gasoline sales at steadier prices since January 31, end of the company's fiscal year. Earnings may be affected to some extent by the tariff reductions, since McColl refines a large part of its output.

* * *

Canadian Wineries common stock at 2½ on the Toronto Stock Exchange was first sold to the public in 1928 at 22. That was too high, but nevertheless the decline continues, although the company's position in the interim has been improved from an operating standpoint, its product has improved and it has paid some dividends. Reasons for lower prices are that dividends have been dropped to permit paying bank loans incurred while establishing the Lewiston plant and because of the present contest for control.

* * *

Canadian Celanese has announced $1 million of financing for production of celanese yarn to compete with light-weight wool used in summer garments. Celanese Corp. of America has been active in developing the same product for some time and will go into production of the new material soon. U. S. reports are that the whole celanese industry is rapidly broadening with new production peaks in sight this year.

* * *

Radio companies in Canada are preparing for further expansion in sales volume this year, predicated on encouraging dealer demand. Suppliers report increased commitments for Canadian materials to be used in sets manufactured by leading units of the radio industry.

* * *

Dairy Corporation debenture interest, now payable in Class A stock is regarded in investment circles as an important step toward placing the company's finances on a sound basis. Conservation of cash and reduction in bank loans will enable the company to take advantage of improving business conditions.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
Weekly Figures, 1936:										
June 4	124.0	17.1	86.3	229.9	69.4	149.1	126.1	187.6	53.0	117.4
June 11	124.9	17.3	86.1	230.0	67.4	149.8	125.6	187.8	53.2	117.6
June 18	125.4	17.5	86.3	229.0	66.4	149.9	128.7	189.3	52.7	118.1

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 23	Holiday		
June 22	131.47	141.78	130.33
June 20	130.86	141.79	130.77
June 19	130.85	141.94	130.08
June 18	131.64	141.57	130.55
June 17	131.43	142.31	129.87
Month ago	129.73	135.63	129.33
Year ago	108.14	106.27	94.37
High, 1936	143.48	145.38	144.33
Low, 1936	125.71	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 23	Holiday		
June 22	68.9	73.5	72.0
June 20	68.7	73.3	71.8
June 19	68.6	73.0	71.5
June 18	68.6	73.1	71.7
June 17	68.4	73.2	71.6
Month ago	67.9	70.8	69.9
Year ago	59.4	59.1	59.2
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9

Thayers Defers Pref. Dividend

Sales Decline 6 Per Cent in First 4 Months of Year

Action on the semi-annual preference stock dividend of Thayers Ltd., oil and gas distributors, due July 1, has been deferred, according to an official announcement. This action was taken because funds in surplus account were insufficient to permit declaration of the dividend.

In a letter to shareholders over the signature of S. E. Prowse, secretary, the company states sales in the first 4 months of the year were 6 per cent lower than in the same period of 1935. This was due, the letter states, to excessive snow conditions which prevailed during the winter months in the territory in which the company operates and to a continuance of price-cutting. Officials are hopeful, however, that as the season progresses this loss will be made up.

Net profit, after all charges including depreciation, was about $5,200 lower in the first 4 months of 1936 than in the same period of 1935.

Renewed consideration to the preference dividend will be given by directors when results of operations for the first six months are available, the letter states.

Burry Biscuit Shares Listed

Operates in United States; Formed By Canadian Group

Application for the listing of the preferred and common stock of Burry Biscuit Corp. on the Toronto Stock Exchange has been approved and the stock called for trading.

Burry Biscuit Corp. was incorporated under a Delaware charter in October of last year and through subsidiary companies manufactures and distributes cracker products and English quality biscuits in the Chicago area and western states. The company has an authorized capital of 120,000 common shares of 50 cents par value and 10,000 6 per cent cumulative convertible preferred shares of $50 par value The issued capital is 100,000 common shares and 10,000 preferred shares.

Since 1933, when the first of the subsidiary companies was organized in Chicago by a group of Canadians headed by G. W. Burry, who was formerly associated with Barkers Bread Ltd., Toronto, expansion of market and production has been rapid, necessitating several plant additions in Chicago. Demand for the company's products in the east led to the opening of a plant in Linden, N.J., where the head office is located. The same interests were responsible for the formation of the British Educator Biscuit Co., now Manning Biscuit Co. with headquarters at Leaside.

Asbestos Co. To Pay Extra On Arrears

Company Takes Steps to Clear Up Back Bond Interest

STOCK MOVES UP

From Our Own Correspondent

MONTREAL.—Asbestos Corp. Ltd. will pay on July 1 next the regular 3 per cent interest charge on the general mortgage bonds, as well as one per cent on arrears, reducing the latter to 8 per cent.

Operations and earnings of the company since the beginning of the year have been distinctly encouraging and the action of the directors in starting to pay off the arrears explains, in part, a renewed interest in the prospects for the common stock.

At the annual meeting last April the president told shareholders that for the first quarter of 1936 sales had shown a further "fair improvement" over the comparative period of 1935. Continued improvement at that time depended on so many factors that the president forebore to make any forecast on the year's business. However, government records of asbestos shipments in recent months indicate that the demand has been well maintained so that earnings should be on a better scale than a year ago.

Pay Interest in Cash

Last year the company reported $321,769 available for depreciation and interest charges. This was the best showing made since 1929 and enabled the company to institute payments on the general mortgage bonds at the beginning of this year and thus prevent a further default.

Under the plan of reorganization carried out in 1932, when the company failed to pay bond interest, the capital was reduced to $2,343,000 of 6 per cent general mortgage bonds and 101,779 shares of no par value common stock. In addition there were $749,179 of underlying bonds of subsidiaries.

Since then the issued share capital has increased to 132,712 shares due to the partial payment of interest in stock on the general mortgage bonds. Under the plan bond interest became payable in cash as from January 1, 1934, but non-payment did not constitute a default unless payments in arrears aggregated 12 per cent.

At the beginning of last January the fourth half yearly interest coupon on the bonds became due and was paid in cash, leaving arrears unchanged at 9 per cent or $210,870.

Redeem Underlying Bonds

The marked improvement in earning power had not only enabled the company to meet this cash charge, but also had improved the liquid position of the company to such an extent that steps were taken to redeem underlying indebtedness and simplify capital structure.

To this end the company called in on January 1 last all the outstanding 5 per cent first mortgage bonds of Asbestos Corp. of Canada. Five months later the outstanding debt of another subsidiary, Maple Leaf Asbestos Corp., was retired. This leaves only the balance of the Thetford Vimy Bonds—about $325,000—senior to the general mortgage income bonds.

Block Dividend Action

In view of the marked improvement in operations, earnings and finances, Asbestos Corp. common stock has moved up from a low of 6 last year to a current level of 32. The latter value is premised to some extent on the expectation that steps will be taken to refinance the general mortgage bonds and relieve the company of another liability.

The 1932 reorganization plan provided that before dividends could be paid on the common stock, the company had to redeem or purchase an average of at least $250,000 par value of the general mortgage bonds per annum as from January 1, 1933.

Thus before any distribution can be made on the common, the company has to acquire $875,000 of the general mortgage bonds.

New Financing Expected

Such an undertaking would preclude the possibility of dividends for several years. However, earning power has increased so rapidly that under other circumstances a dividend would be in order.

In order to rid the company of this bond liability, a refunding operation has been mentioned. The action of the stock would seemingly indicate that such a proposal may be carried out before long.

Canada Bud Sales Higher

Declares 40 Cent Dividend Payable July 20

Reflecting improved earnings and sales, Canada Bud Breweries has declared a dividend of 40 cents a share on its common stock, payable July 20 to shareholders of record June 30. This is more than was paid during the entire year in 1935, when 15 cents a share was paid April 15 and 20 cents a share Dec. 20. Earnings in 1935 were equivalent to 91 cents a share.

The financial statement for the first 6 months of the year, which will be issued about the third week in July will show a substantial increase in both sales and earnings, The Financial Post is informed. Sales for the first 5 months of the year were well ahead of last year. For May, the company reports an increase of 10 per cent in sales despite the fact that total beer sales in Ontario for that month declined 2 per cent. For June to date, sales are up 22 per cent.

Robt. McNish Profits On Improved Scale

From Our Own Correspondent

MONTREAL.—Operations of Robert McNish and Co., a subsidiary of Canadian Industrial Alcohol Co. are currently showing a considerable improvement, according to a statement made by Hon. Gordon W. Scott, president of the parent company.

Company Reports

Canadian Hydro

Earnings of Canadian Hydro-Electric Corp. for the first quarter of 1936 dropped to $3.06 a share on the first preferred, as against $4.77 in the corresponding period of 1935.

No action has been taken by the directors in regard to the dividend payable June 1 on the first preferred. This stock is now in arrears to the extent of $3 a share.

Consolidated Statement of Profit and Loss
Three Months Ended March 31

	1936	1935
	$	$
Revenue:		
Oper. revenue	2,099,682	2,310,143
Other income	24,128	22,190
Exchange	*613	†320
	2,124,423	2,332,013
Expenses:		
Oper., adm. & gen.	221,064	220,934
Maintenance	40,475	35,138
Taxes (other than inc.)	75,217	46,632
Net income	1,787,667	2,029,309
Deductions:		
Int., bonds, liens	866,464	871,442
Int., debent.	257,777	265,177
Depr. & amort.	151,800	162,552
Amort. of disc. exp.	86,212	87,414
Prov. inc. taxes	42,030	46,500
Net profit	383,384	596,224

*Profit. †Loss.

Quebec Telephone

Quebec Telephone and Power's financial statement for 1935 reveals a small increase in both gross and net profits as compared with the previous year. After all charges, there was a surplus of $1,936, as against $992 a year ago.

Income and Surplus Account
Year Ended December 31

	1935	1934
	$	$
Operating revenues	138,610	131,661
Other revenues	2,950	3,126
Gross	141,560	134,787
Less: Operating exps.	83,639	75,873
Bond interest	19,044	13,805
Other interest	1,318	7,409
Depreciation	32,281	32,766
Bond disc. amort.	3,342	3,942
Surplus for year	1,936	992
Previous surplus	34,335	31,877
	36,271	32,869
Adjustments	dr. 22,534	cr. 1,466
	13,737	34,335
Working Capital		
Current assets	79,868	62,281
Current liabilities	17,374	124,763
Working capital	62,494	*62,482

* Excess of liabilities.

Stop & Shop Ltd.

In its report for the year ended Feb. 22, 1936, Stop & Stop Ltd., food store chain, reports the most unsatisfactory operations since 1932, an operating loss of $30,251 being shown before bond interest and depreciation, compared with an operating profit of $21,583 in the previous year.

Income and Surplus Account
Years Ended

	Feb. 22 1936	Feb. 23 1935
	$	$
Net earnings	*30,251	21,583
Less: Depreciation	56,320	54,695
Bond interest	38,534	38,564
Net loss	125,105	71,726
Add appropriations:		
Pref. dividends	......	27,777
Deficit for year	125,105	99,503
Less: Prev. surplus	*26,139	75,914
Deficit carried forw'd.	151,244	26,139

* Loss or deficit.

Times Bond Interest Earned:		
Before depreciation	nil	0.56
After depreciation	nil	nil
Working Capital		
	1936	1935
	$	$
Current assets	490,418	492,812
Current liabilities	324,148	235,944
Working capital	166,270	256,868

A. J. Freiman Ltd.

A. J. Freiman, Ltd., Ottawa department store, with branches in Renfrew and Pembroke, reports improvement in operations in 11 months ended Dec. 31, 1935, a profit of $1,620 being shown after depreciation but before income tax provision, compared with a loss of $49,802 in the previous 12 months. Dividends were paid on the preferred, however, so that a deficit of $52,422 for 11 months is shown.

Mortgages on real estate were reduced from $506,000 to $488,750.

Income and Surplus Account

	11 mos. ended Dec. 31 1935	12 mos. ended Jan. 31 1935
	$	$
Oper. profit†	31,349	19,069
Less: Depreciation	29,729	68,871
Income tax	......	4,815
Net profit	§1,620	*54,617
Less: Pref. divds.	54,042	55,687
Deficit for year	§52,422	110,304
Add: Previous surplus	791,550	901,854
Less: Pref. s. f. reserve	1,907	......
Surplus forward	737,221	791,550

† After bad debts provision, interest on mortgage and corporation tax.
* Deficit or loss.
§ Before income tax provision.

Earns. per Share and Divd. Record:		
Preference: Earned	$0.18	nil
Paid	6.00	$6.00
Working Capital		
	Dec. 31 1935	Jan. 31 1935
	$	$
Current assets	1,866,295	1,758,405
Current liabilities	959,162	775,507
Working capital	907,133	982,898

M. & O. Paper Co.

Minnesota and Ontario Paper Co. and subsidiary companies, exclusive of the National Pole and Treating Co., report sales of $2,567,982 for the period from Jan. 5, 1936, to March 29, 1936. After sales costs, depreciation and depletion, profit amounted to $131,192. After all charges the net loss for the period was $942,743.

The accounting practice of the company and its subsidiaries has been changed and is now on the basis of 13 periods of 28 days each. The quarterly report covers the first three periods of the year. Because of this and since the accounts of National Pole and Treating Co. are not consolidated no comparison with previous statements is possible.

National Pole and Treating Co. had a net loss for the period of $63,469 compared with $107,720 for the corresponding period of 1935. The balance sheet of this subsidiary shows working capital of $1,775,410.

Cons. Income and Surplus Account
(Excluding National Pole & Treating Co.)
Jan. 5, 1936 to Mar. 29, 1936

	$
Sales, incl. rly. rev., less frgt. & allow.	2,567,982
Less: Cost of sales*	2,436,790
Sell., admin., trustee exp.	306,976
Oper. loss	175,784
Less: Other income	20,567
	155,217
Add: Int. on subsid. funded debt	4,235
Other current int.	1,100
Int. accrued but not paid:	
On funded debt	502,685
On other obligations	52,172
Head office depreciation	1,581
Res. for red. Nat. Pole stock	45,173
Loss on sale of cap. assets	88
Misc. debits	180,492
Net loss	942,743
Less: Prev. surplus	10,025,287
Surplus forward	9,082,544

*Includes depletion $52,237 and depreciation $161,349.

Working Capital
As at March 29, 1936

	$
Current assets	5,115,933
Current liabilities	1,703,059
Working capital	3,412,874

Eastern Dairies

Eastern Dairies consolidated financial statement for the year ended March 31, 1936, shows a net income just short of covering full depreciation and bond interest charges, whereas in the previous year the company was able to show a small surplus after providing for these items.

The balance sheet reflects an improved cash position. Book value of investments of $514,393 compares with $493,958 a year ago. The market value of investments increased about $50,000 to $293,916. A new item among the deferred liabilities is a bank loan of $52,000.

Consolidated Profit and Loss Account
Year Ended March 31

	1936	1935
	$	$
Operating profit	397,007	‡409,951
Profit sec. sold	53	2,196
Disc. bonds redeemed	6,541	12,705
Investment income	11,669	14,233
Less: Legal fees	1,116	....
Exec. salaries	61,097	....
Net revenue	353,058	439,085
Less: Directors' fees	1,880	5,350
Depreciation	215,000	225,000
Bond interest	174,065	175,925
Prem. on interest	1,727	798
Bond discount	10,454	10,454
Net profit	*50,088	21,558
Previous surplus	†60,912	27,762
Less: Provincial tax	....	2,110
Adjustments	....	11,437
Add: Provincial tax	1,601	....
Surplus forward	9,223	35,773

‡After legal fees and executive salaries.
*Deficit. †Adjusted.

Working Capital

	1936	1935
	$	$
Current assets*	1,256,714	1,120,373
Current liabilities	545,956	455,548
Working capital	710,758	664,825

*No adjustment for decline in market value of investments.

Hamilton Bridge Co. Secures "Nickel" Contract

From Our Own Correspondent

MONTREAL. — Hamilton Bridge Co. is reported to have received an order from International Nickel Co. of Canada.

The contract which is said to run to about $400,000 is the largest received by the company for some time, but the margin of profit will likely be small.

Associated Breweries Reduces Issued Preferred

From Our Own Correspondent

MONTREAL.—Associated Breweries of Canada has taken out supplementary letters patent reducing the outstanding preference stock by 1,018 shares to 9,143 shares of the par value of $100 each. The common stock remains unchanged at 400,000 shares no par value.

The preferred shares have been redeemed and cancelled by the company in accordance with the provision of the sinking fund.

Province of Nova Scotia

3¼% Debentures
Due June 1st, 1956
Non-Callable

Province of Nova Scotia is the most populous of the Maritime provinces and its diversified economic activities include manufacturing and mining as well as agriculture. The all-year port of Halifax is of importance in the commerce of the Dominion.

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Bond Markets

Government Bonds Continue Buoyant

Greater Use of Callable Bonds by Governments May Develop—Edmonton May Also Default

With several weeks of sharply rising prices completed the high grade bond market can now be expected to consolidate its position. Prices are expected to remain steady.

Recently there has been considerable activity in newsprint bonds, and prices have advanced accordingly. This reflects the steady increase in demand for newsprint and the expectation that higher prices are in the offing.

Edmonton is expected to take its cue from Calgary and either cut interest or default on its debentures. However, Finance Commissioner D. Mitchell is fighting to maintain the city's solvency.

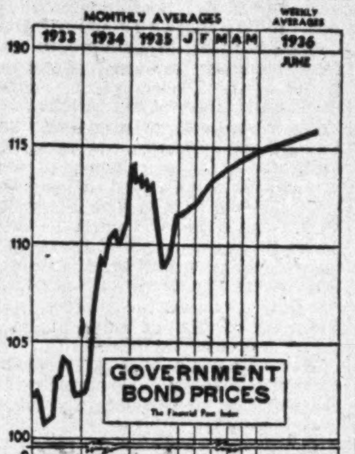
The prosperity bonds or certificates of Alberta are merely additional debt, which, the government admits, will have to be paid off by heavy taxation.

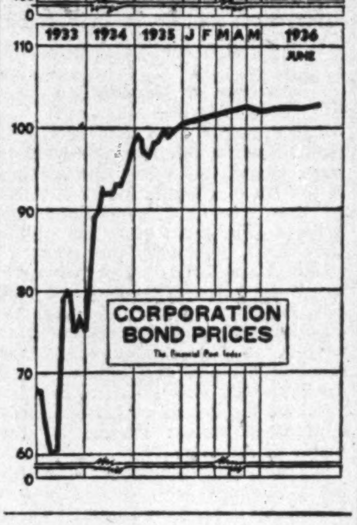
While Alberta issues remain steady, further weakness has developed in the other western provincial issues, indicating the uncertainty existing in market circles as to the outcome of Alberta's action. Many fear the other governments will follow suit.

While hopes are held out in some quarters that the federal government will come to the assistance of Alberta, there is little possibility of the Dominion government guaranteeing Alberta bonds.

Alberta Bondholders

THE advice which has been given to holders of Alberta bonds by the bondholders protective committee, to delay cashing their interest coupons at the lower rates which have been offered them by Premier Aberhart's government, is probably sound. Otherwise the Alberta government would construe acceptance of the partial payment offered as acquiescence of the government's forced reduction of interest on its securities. What may be accomplished by delay and further discussions between the cabinet and creditors of the province is difficult to say.





* * *

Alberta's Wisdom?

IN ANY event the social credit government of Alberta is due to discover shortly that there are some things about money and finance which it does not yet understand. The first experience will come shortly, with the introduction of "prosperity bonds" which are nothing more than stamped scrip. It is generally conceded that the scheme will be a failure. The second is to be expected next March when the government finds that it cannot implement its recently repeated promise to start the payment of "social dividends."

If, and when, the fact that it may possibly be mistaken penetrates the government of Alberta, there may be a change in its arrogant attitude toward the rest of the world which has not shared its peculiar revelations of financial wisdom. There may then be a greater willingness to pay some attention to what others think, to cultivate what has been elsewhere described as a "decent respect for the opinion of mankind."

* * *

Callable Bonds

AS A result of the present situation in Western Canada and elsewhere it is possible that Canadian governments—federal, provincial and municipal—will make greater use of callable bonds in future financing.

If in the past Canadian governments had provided for the contingency of cheaper money it would now be possible to lessen considerably the burden of interest resting on the shoulders of the taxpayer. Certainly, the Dominion government would have little difficulty in converting its entire debt to a 3½ or 4 per cent rate if its outstanding bonds were callable.

In addition it is possible that the crisis in western provincial finances and in the finances of many municipalities would have been avoided if the bonds had been callable. At least the way would have been open for Alberta to have attained its objective without resorting to repudiation or surrendering its jealously guarded provincial rights.

There is the factor, of course, that non-callable bonds always bring a better price than callable bonds. However, the higher price which non-callable bonds bring is very small in comparison with the saving which many governments could now make if their bonds were callable.

When interest rates return to a higher level governments would be wise to make their new issues subject to call.

* * *

Trading Quiet

TRADING recently has reflected the usual holiday dullness. High grade government bonds have continued buoyant. Increased demand for industrial bonds has also resulted in higher prices.

The trend of the high grade bond market is indicated below:

The Financial Post Average Price and Yield For High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
June 22	116.50	3.101	June 22	112.66	3.550
June 20	116.52	3.104	June 21	112.64	3.551
June 19	116.52	3.104	June 20	112.62	3.554
June 18	116.63	3.096	June 19	112.48	3.567
June 17	116.58	3.100	June 18	112.56	3.560
June 16	116.56	3.100	June 17	112.42	3.570
Year's Range	116.63 111.50	3.096 3.597	Year's Range	114.97 106.57	3.367 4.097

Listed Bonds

Week Ended June 22, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51½	50
McNish	6	'48	3.30	..	3.75	3.00
Unlisted—						
Cons. Paper	5½	'61	44½	..	44½	30½

MADE PARTNER

Harry A. Boersma, formerly of London Financial Services, Limited, who has become associated as a partner in the investment firm of N. A. Mitchell & Company, Limited, London, Ont.

Judge Upholds Pacona Group

Decision Kills Company Plan for Price Bros. Reorganization

From Our Own Correspondent

MONTREAL.—Plans for the internal reorganization of Price Bros. and Co., sponsored by British and Canadian interests, is definitely killed as a result of the decision by Judge Romeo Langlais upholdng the right of the Saguenay Power Co. to vote against the proposal as an unsecured creditor.

At the meeting of creditors, including common and preferred shareholders, held in Quebec April 29, called to consider the so-called shareholders' plan of reorganization for Price Bros., the adverse vote of Saguenay Power, the second largest creditor, rendered abortive the overwhelming approval of the proposal by preferred and common shareholders and other creditors.

Of the 362 representing approved claims, 358 voted in favor of the plan, with the four against representing Saguenay Power interests. Because of the large total represented by the latter, however, the total value of creditor claims voting in favor amounted to only 62.25 per cent, against 75 per cent required to make the plan effective.

Appeal for Decision

Early in May the trustee in bankruptcy, Hon. G. W. Scott, presented to the judge in bankruptcy in Quebec a petition asking for direction as to whether or not the resolution of unsecured creditors be declared carried. In effect he sought disposition of doubt of legality cast on the fact that one creditor, ranking as the second largest, by vote against, rendered ineffective the company plan for reorganization which had the almost complete support of preferred and common shareholders and other creditors.

The court ruled creditors had the right to accept or reject the scheme of reorganization. Dealing with the argument of lawyers for the trustee that the dissenting creditors acted in their own interests and not in the interests of the company, Judge Langlais said: "If I advise the petitioner to set aside the vote of the creditor under the pretext they considered their own interest, that is to secure payment of 100 cents on the dollar, rather than the interests of the company, I would be taking away from the creditors the absolute right they possess to sell or not to sell the assets of their debtor or to accept or not to accept a proposition they consider favorable or unfavorable."

Wpg. Electric Defers Interest

Payment Held Up Legally Until Certificates Are Ready

From Our Own Correspondent

MONTREAL.—All arrangements have now been completed for the plan of consolidation and readjustment of Winnipeg Electric and associated companies, according to an official notice sent out by Edward Anderson, president and general manager.

It had been expected that as soon as legal details had been completed, accumulated interest payable under the plan, including all payments due up to July 2, 1936, on the series A and B new general mortgage bonds, would be paid. The money for this purpose is now in the hands of the company's bankers and has been set aside to be paid out by the trust companies concerned.

Hold Off Payment

Legal counsel now inform the company that the money cannot be paid out until the new definitive bonds can be delivered. Rush orders have been placed for the engraving of these new bonds, but as some of this work is of a complicated character, a considerable time will be required for its completion. Consequently the definitive bonds and other certificates will not be ready for delivery until some time toward the end of August, at which time the exchange of securities and payment of bond interest will be made.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel ...	6%	1943	July 1	110
Robt. Simpson*.	5%	1952	July 1	105
Imperial Realty.	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
Dom. Canners ..	6%	1940	Oct. 1	110
Saguenay Pr. ..	6%	1966	July 1	104½
Can. Canners ...	6%	1950	July 2	105
St. Law. Flour .	6%	1941	July 1	110
Famous Players.	6%	1948	July 1	103
Do., ...	6½%	1948	July 1	103
Inter. C. Baking‡	5½%	1948	July 1	103½
Do., ...	•5½%	1948	July 1	103½
Nfld. L. & Pr. ..	7%	1949	July 1	105
St. John Dry D.	4%	Serial	July 5	103
Continental Pap.	6½%	1943	Aug. 1	102½
European Elec.	6½%	1965	Aug. 1	105

† $65,000. * £12,500.
‡ $36,000 for sinking fund purposes.
• $164,000 called under redemption provisions.

Stock Issues:	Rate	Stock	Date	Price
Brant. Cordage	8%	Pref.	July 15	$20
Supertest Pet.	7%	Pf. A	June 30	110

Religious Issues

Sisters of Charity, Qué., 5%, July 1, 100.

Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1, 100.

Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1, 101.

Sisters of Charity of Saint-Louis, Bienville, 5½%, July 1, 101.

Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1, 102.

Diocese of Timiskaming, émission $85,000, 5½%, 1932-56, July 1, 101.

Notre D. Hospital, Montréal, 5½%, Oct. 1, 102.

Board Will Probe St. Lambert Affairs

Still Hope Bankruptcy Can be Stayed by Having Plan Legalized

From Our Own Correspondent

MONTREAL. — A complete enquiry into finances of the City of St. Lambert will be conducted by the Quebec Municipal commission before any action is taken on the council resolution petitioning the Commission to declare the municipality a bankrupt town.

It is reported the Commission has hope that the recent financial reorganization plan consented to by both the bondholders and the council, and needing formal enactment of a special bill by the Quebec legislature to enforce, will solve all its problems.

Bathurst Power Stock Listed on Toronto Board

Both the Class A and B shares of Bathurst Power and Paper Co. have been called for trading on the Toronto Stock Exchange. The Royal Trust Co. has been named transfer agent at Toronto.

The listing covers 400,000 shares of Class A and 300,000 shares of Class B stock.

Nova Scotia Shipping Bondholders to Meet

MONTREAL.—Holders of the 7 per cent first mortgage bonds of Nova Scotia Shipping Co. will meet in Halifax June 30 to form a protective committee.

Chain Store Companies May Sell Quebec Units

Political opposition to chain stores has gone so far in Quebec that companies are seriously considering, it is understood, the advisability of selling individual stores in the chains to the branch managers on a financed basis and continuing only as wholesalers supplying these stores. Each chain store in Montreal other than stores in a candy chain pays a tax of $300 which is not borne by the independent retailer and the same tax discrimination is being shown in other municipalities.

"It is entirely political," said one merchant with a large interest in a chain of stores to The Financial Post. "I am satisfied that if there was a referendum in the district where chains operate the people would vote against this discrimination. In French-Canadian districts we have French-Canadian managers and French-Canadian clerks. A report just issued by the Dominion Bureau of Statistics shows that the wages we pay to the male employees are slightly higher than those paid by the independents. We are paying above the minimum and at the same time we contend the advantages we give in service and quality of goods to the consumer alone justify our existence.

"Destroy the Chains"

"But they seem determined to tax us out of business. That is their objective. The Verdun bill asked for the right to tax us $500 a store. The Legislative Council reduced it to $250 a store and the Legislative Assembly promptly raised it again. They even threatened to end the Legislative Council for its temerity in reducing the tax."

Representatives of individual chains would not commit themselves to a statement that they would unscramble their chains in Montreal, pointing out that there is a case before the courts to test the constitutionality of such discriminatory taxation. "We think it is ultra vires," said one.

In the United States the James Butler Grocery chain has sold its stores to individuals and acted simply as a wholesaler afterwards. The Great Atlantic & Pacific Tea Co., largest chain of all, is understood to be giving serious study to the whole matter. It is possible that such a plan may be tried out in Montreal on a limited scale first.

"Buy Locally" Campaign

"Have you felt any results from the campaign to buy goods only from French-Canadians?" one merchant was asked. He replied that he had not felt any popular movement at all, only a political one. Some travellers from Ontario houses state, however, that recently they have "found the going tougher" and with certain individuals could not sell goods even when price and quality were acceptable.

In some districts French-Canadians are reported to be confining themselves once again as a matter of loyalty to their own home-grown and manufactured tobacco. Disagreements about amounts due for wages are brought even up to the Legislature of the province by certain members if the company is one with a good deal of British, United States or even English-Canadian capital in it. Jewish firms have also found the sledding harder.

Montreal Seeks New Power Deal

Considers Proposal to Purchase Block of Energy from Montreal Power

From Our Own Correspondent

MONTREAL.—Resumption of contractual relations between the City of Montreal and Montreal Light, Heat and Power Consolidated is up again for consideration. Some time ago the contract between the city and Montreal Power expired and current power requirements have been supplied on an interim basis.

The proposal now being considered by the city is to purchase a block of power from the company and to distribute it over its own lines. At present the city purchases about 25,000 h.p., of which about 18,000 h.p. is used at the waterworks pumps and for which the city pays $25 a h.p. There is another rate for power for public sewers, another for lighting of city streets and still another for city buildings.

Buy Block of Power

The proposal is that a better rate could be secured by purchasing the power in a single block and distributing the energy from one or more distributing points in the city's system.

At the same time the administration is awaiting a report on another proposal covering city street lighting and development of aqueduct waters for generating hydro power for city use.

It is reported that aldermen in the majority prefer to deal with Montreal Power with a view to securing more favorable rates. Should these negotiations fail, then they would be ready to take up the alternative of the city-owned hydro plant.

Bond Tenders

July 2, Ste. Agathe des Monts—$38,000, 4 and 4½ per cent bonds, dated July 1, 1936, redeemable serially from Jan. 1, 1937, to Jan. 1, 1961. Georges Liboiron, sec.-treas.

4 p.m., June 26, Toronto Conservatory of Music—$255,000 20-year debs., dated Sept. 1, 1936, guaranteed by University of Toronto. Alternative bids asked on 3 and 3½ per cent basis. J. R. Cruickshank, sec.-treas.

2 p.m., July 6, Belleville—$22,900, 4 per cent, due serially June 1, 1937-46; $1,651, 4½ per cent, due serially May 1, 1937-55. —12 noon, June 25, Ottawa—$610,000, 2 per cent, 5 year serial debs. G. P. Gordon, city treas.

Windsor Anticipates Saving on Insurance

The Windsor Finance Commission hopes to make a large saving in insurance costs by grouping all city insurance policies, including those of both school boards. It is expected that many policies will be eliminated and that each kind of insurance will be covered by a single policy. A report is expected shortly from E. Brooke Baxter, the city's insurance broker.

Grey & Bruce Trust Co. Declares 2% Dividend

Grey & Bruce Trust & Savings Co. has declared the regular semi-annual dividend of 2 per cent on its capital stock for the half year ending June 30. The dividend is payable July 2.

A distinct improvement in mortgage collections during the past six months is reported by the company.

Canadian Wallpaper Stocks Listed on Toronto 'Change

On July 2 Toronto Stock Exchange will call for trading stock of Canadian Wallpaper Manufacturers Limited as follows: 23,342 class A shares of no par value out of an authorized 194,096 shares, and 105,904 class B shares out of an authorized 105,904 shares of no par value. Canadian Wallpaper was incorporated under the Dominion Companies Act June 25, 1927. Code abbreviation is CWP.

Security Trading Declined in April

International Transactions Smallest Since July, 1935

International trade in securities between Canada and other countries was smaller in April than in any month since July, 1935, according to the Dominion Bureau of Statistics.

Sales and purchases both declined and the favorable balance of sales by Canada which has characterized this trade in recent months almost vanished in April, sales exceeding purchases by only slightly over $500,000.

There were reductions in the trade with both United States and Great Britain, while sales and purchases between Canada and other countries were larger than usual, though still relatively small compared to the total trade with countries.

Total sales by Canada in April amounted to $20,238,117 and total purchases to $19,695,734, leaving a net favorable balance of $552,383. Total sales in April, 1935, were $24,158,244 and purchases, $19,975,533.

Total sales and purchases for the first 4 months of the year are well ahead of the corresponding period of 1935. Total sales in 1936 to the end of April were $148.4 millions and purchases $109.2 millions, leaving a net balance of sales of $41.2 millions. The excess of sales over purchases in the first 4 months of 1935 was $9.7 millions, total sales amounting to $90 millions and purchases to $80.3 millions.

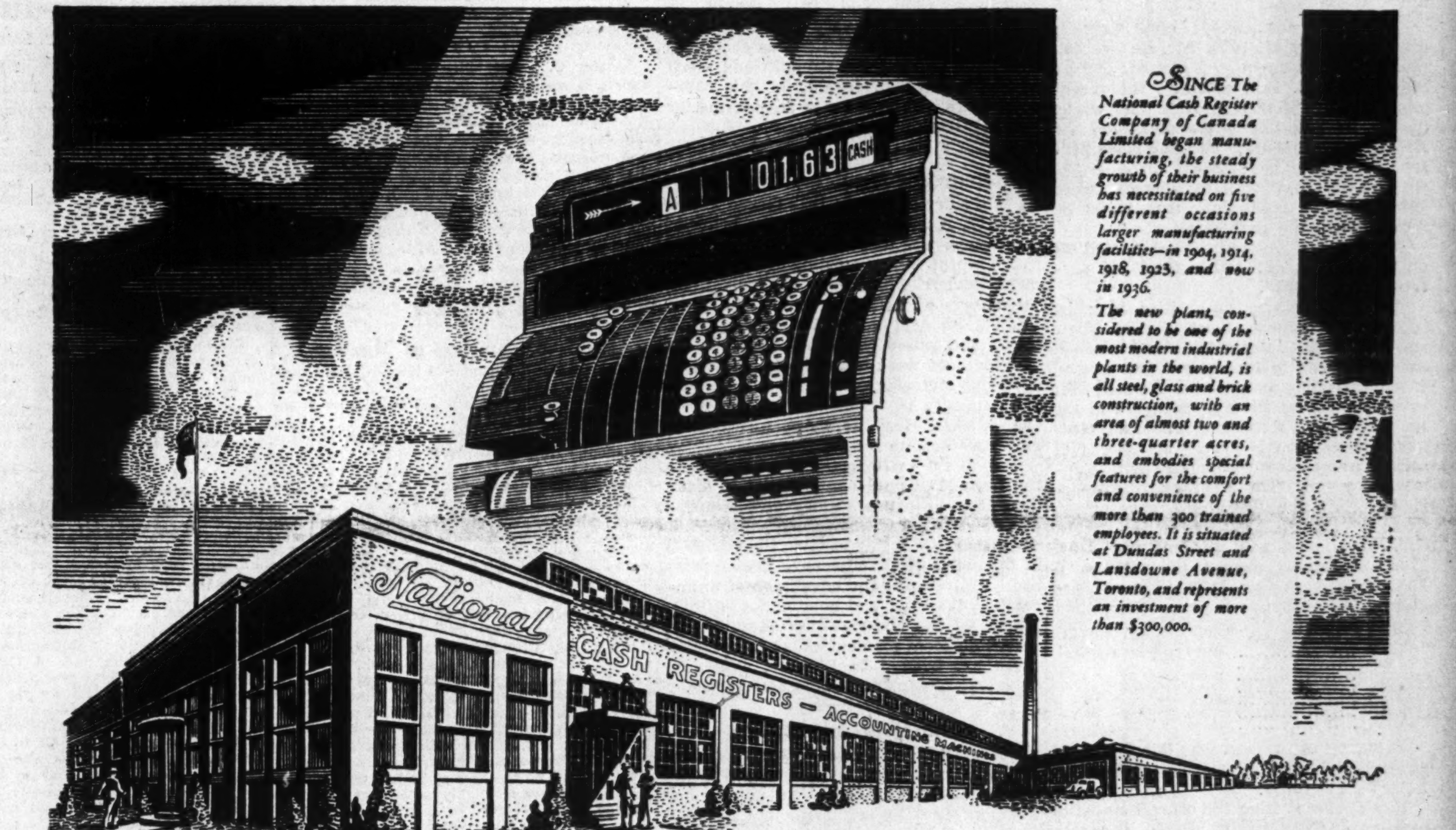
Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Grand'Mere, Que.	June..	L. G. Beaubien & Co.	3½%	30-ser.	$69,600	95.40	.....
Peterborough, County of	June..	J. L. Graham & Co.	2½%	....	70,000	90.07	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Regal Kirkland Gold Mines	June..	J. T. Eastwood & Co. and J. P. Cannon & Co.	....	....	200,000 shs.	30c	.....
McLellan Long Lac Gold Mines	June..	J. S. Forgie & Co.	....	....	300,000 shs.	25c	.....



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The new plant, considered to be one of the most modern industrial plants in the world, is all steel, glass and brick construction, with an area of almost two and three-quarter acres, and embodies special features for the comfort and convenience of the more than 300 trained employees. It is situated at Dundas Street and Lansdowne Avenue, Toronto, and represents an investment of more than $300,000.

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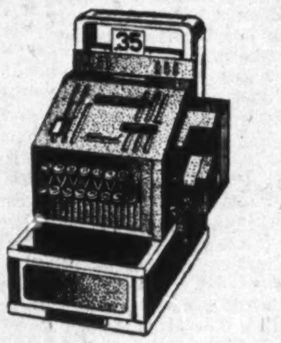

THIS REGISTER gives a permanent, printed record of every sale, shows the total amount of all sales, number of customers served and number of "no sale" transactions. Single lock control gives personal supervision of all records.

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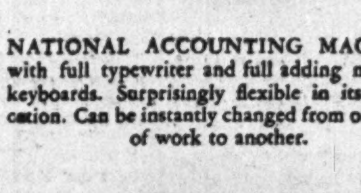

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TORONTO, JUNE 27, 1936

Patronage on the Grand Scale

RETURNS tabled in Parliament tell the sad story of the Dominion government's efforts to purge the civil service lists and abstain from the great indoor sport at Ottawa—patronage.

The story is particularly disillusioning because taxpayers have been borne up these past several years by highly optimistic reports of Ottawa's ruthless quest for efficiency in administration and fair dealing to taxpayers. Hon. E. N. Rhodes, it will be recalled, used to issue an annual "ray of hope" bulletin giving the glorious details of successful skirmishes with the state payroll. The guillotine, according to these statements, was being kept busy: there was reason to hope that one day government would cease to expand.

Alas, Mr. Rhodes now appears to have been getting his figures from the wrong quarter. Or perhaps he only kept track of the "firings." The "hirings," it is possible, were being made by some other department.

It emerges that 73,571 civil servants existed on July 31, 1930. Mr. Rhodes had this huge total down to a mere 60,299 by Sept. 30, 1933. But, actually, the recent parliamentary return proves that while, during its full five years of office, the Bennett government fired some 8,390 persons, the same government hired 16,692 persons. More people, it appears, were getting in the front door than could be kicked down the back stairs.

And the new government has started off on the same track. It has fired 246 persons and hired 817.

The civil service authorities may be inclined to challenge these figures. Their statistics do not tally with those contained in the returns to Parliament and quoted in the foregoing paragraphs. Actually, the official statistics show a reduction in the number of civil servants, but it is not clear how the division is drawn between civil servants and other people on the government payroll. These official statistics reveal that the Dominion government worried along in 1912 with 20,016 employees, paid $18 millions per year. This rose rapidly through the years until 1929 when there were 42,790 civil servants costing $64 millions per year. Subsequent figures follow:

In 1929	42,790	drew	$64	millions
In 1930	44,000	"	67	"
In 1931	45,000	"	70	"
In 1932	44,000	"	69	"
In 1933	41,000	"	59	"
In 1934	40,000	"	57	"
In 1935	40,000	"	57	"

The drop in the cost was due to the 10 per cent reduction in salaries (restored to 5 per cent in 1935).

It is apparent from the official statistics that many thousands of people work for the state without actually being listed as civil servants. It is equally apparent that government crusades to reduce the cost of the public service have been notably unsuccessful to date.

The Laborer's Hire

RETAIL merchants, gathered in convention in a western city recently, covered a great deal of ground in their discussions. The opinion was expressed that there were too many gas filling stations in small villages, resulting in cut-throat competition. There were cases where butchers were selling gasoline, and it was urged that "this thing of bologna and B batteries in the same window should stop."

It was urged too that merchants should look into the banking system to see what could be done about the abolition of "usury."

The objection to the excess of gas filling stations was apparently that the competition led to lower prices of gasoline so that merchants selling gas did not make a reasonable profit.

The objection to "usury" was apparently that banks charged for their services and for the loan of money and therefore did make a reasonable profit.

Both the station operators, selling gasoline to the public, and the banks, dealing in loans, should be privileged to make a reasonable profit. It is absurd to complain that a reasonable profit cannot be earned in one case and that any charge at all is made in the other.

"Propaganda Bared!"

ONE of the most enlightened advertising campaigns on this continent is the one that has been published consistently over a long term of years by the American Telephone and Telegraph Co. to inform the public of its activities.

Yet when a congressional committee at Washington, looking for demagogic pre-election stuff, got around to the A. T. & T., it "bared" this advertising campaign as "propaganda" designed to "forge public opinion into an instrument for effecting rate increases."

John C. Kirkwood, writing in Marketing, properly asks which is the better: for a corporation to use lobbying, bribery and under-cover tactics to achieve its objective with public bodies or to come out into the open with signed advertising?

The answer can hardly be a matter for reasonable doubt. Mr. Kirkwood makes that clear.

It is far better for a corporation to state its case in print where every statement can be checked for its accuracy. If more companies were to seek to influence public opinion in this way rather than to hire whispering propagandists, to use personal influence, or to make contributions to campaign funds, it would be better for the public.

People are prone to be influenced by the sinister implication of headline phrases. When a newspaper says in a headline "Propaganda Bared" people think something very nasty has been brought out. But there isn't anything very dangerous to the public welfare in the fact that a great corporation like A. T. & T. comes out openly in advertising, signed with its name, to tell the story of its activities and to report to the public on its record of stewardship. True, it is propaganda, but it is the type of propaganda that is every man's and every corporation's right and that should be encouraged. When every company is as frank in its public relations as the firms that have realized the strength and merit of institutional advertising of this character there will be less free advertising for publicity-seeking probe counsel.

Repair For Municipal Finance

THE story of how in 1919 Grand Forks, B.C., rescued itself from the brink of insolvency, was told by Mayor T. A. Love at the recent annual meeting of the Investment Dealers' Association of Canada. By the efforts of its own citizens, the town has cut its debt and taxes, increased its assets and raised the value of its bonds. The methods were the well-tested ones of economy and efficiency, possible because the necessity of action was explained to the citizens. Deficits were turned into surpluses despite falling revenues.

The moral is important in relation to the huge municipal bankruptcies in Canada. Debt adjustments may give temporary relief to defaulting municipalities, but ultimately the repair of civic finance rests in the hands of the citizenry. That repairs can be effected to the advantage of municipality, taxpayer and bondholder is illustrated by the Grand Forks example. It leaves no room for doubt that even where there has been a bankruptcy, municipal finances are capable of complete repair.

Farm Debt Adjustment

CANADIAN financial interests generally will have no quarrel with the Supreme Court decision to uphold the Farmers' Creditors Arrangement Act. No Shylocks, lending companies have listened with ready sympathy to any practical proposals of lessening the burden of farm indebtedness.

Literally thousands of voluntary interest and principal cuts have been made by such institutions where through no fault of his own, the farmer has found himself in an impossible position.

Political administrators have not always acted wisely nor fairly in dealing with debtors and creditors. More anxious to placate the party who represented—they thought—the largest voting power, they have too often made the creditor the scapegoat, particularly in the primary negotiations stages.

More serious has been the lack of finality in debt reduction legislation all over the Dominion. Nearly every province has at least one statute of the kind, and occasionally there have been two or three, passed over a number of years. Latterly, came the Canada-wide act, which has just been upheld by the court.

The mortgage companies have never known when the issue was finally settled. Judgments, the majority of which were voluntary, have been made only to be followed by a plea for further sacrifice under another act a few months later. Even in the federal legislation there was no indication of how long the matter would continue. Finality is still lacking, and as a result the very necessary business of private agricultural financing has largely come to a standstill. It has been impossible for lending institutions to make any accurate appraisal of their present position.

Our Key Financial Problem

IN A leader on the financial problems of Canadian provinces, the venerable Times of London puts an editorial finger on the problem that is at the heart of the Alberta default, the British Columbia repudiation threats, the fight over financial sales taxes and other contemporary controversies in Canada.

Says The Times:

> "In some form or another, a readjustment of the financial relations between the Dominion and the Provinces seems essential for the protection of Canadian credit."

That is indeed a major problem in Canada. The provinces cannot afford the responsibilities they have assumed. If they are to govern as sovereign states they must have the revenue of sovereign states. But that inevitably must mean that Canadians must pay for twice as much government as they need, twice as much government as they can afford. Extension of provincial taxing powers implies even further extension of provincial activities.

From the financial side it is obvious what the remedy is. It is gradually to centralize more governmental activity in the hands of the Dominion government; to solve the financial difficulties of the provinces not by giving them more money to spend but imposing fewer responsibilities, involving the expenditure of money, on them.

It was the provincial view that prevailed when the House of Commons passed the B. N. A. Act amendments. It was the centralist viewpoint that won out when the Senate threw out the amendments even after the government had modified them to protect the business of the country from the provincial tariff barriers, implicit in the proposed taxes.

Business generally in Canada, seeing the need for simpler and less costly government, is strongly opposed to any move to set up ten sovereign states in Canada, each competing for the power to tax. In taking this view, business is taking a sensible, practical view of the situation.

But in the minds of some remains a disturbing thought; that throughout the world the governments that have curbed the liberties of the people are the strong central governments. In decentralization of authority, such folk believe, lie the safeguards of Democracy. The problem may be more theoretical than real. Britain and South Africa have benefitted enormously from the business economies of centralized government. Australia has made great progress to financial stability by delegating state powers to quasi-federal bodies.

Editorials in Brief

It surprises the Halifax Herald to discover that Canadian bonded debts, public and corporation, amount to $9,292 millions or $425 per family. It ought then to astound, astonish and stun the Herald to learn that the figure actually is about $4,250 instead of $425.

* * *

Senator C. P. Beaubien was quoted in the Senate as saying that there were sixty taxes in a loaf of bread. What the senator actually said was that he had in his hands an article in which the statement was made. The article appeared in The Financial Post last February. The Toronto Star did a curious but typical thing. It ran copious extracts from The Post's article as an interview with Senator Beaubien, thus subjecting the senator to the possible indignity of being unjustly labelled as a plagiarist.

Post-Scripts

Making a Success of Murder

NOAH BEERY has made a large business success as a screen murderer for decades. He is to play the part of a hired killer once more in "The Northing Tramp."

An amusing interview secured from him by Gaumont British publicity department makes it apparent that even for the purposes of celluloid murder a man has to study his subject on the spot.

"My business success dates back," says Noah Beery, "to the time when I had to sleep on park benches with a newspaper under my shirt to keep out the cold. My sleeping partners on those benches were men outside the law. I dozed in company with some of the worst killers in America, gangsters out of prison. I watched them and studied them.

"In Kansas City in the good old days I met with all the roughnecks of the south. Near the city were two big penitentiaries as well as a depot for old ruffian soldiers. I learnt their ways and their outlook on life. One of my friends who once journeyed from Mexico with me was Black Jack, a murderer with 40 killings to his credit. He was a grand guy."

Noah went on to say that he had not found a single murderer in all his experience who was all bad. On the screen he insists on portraying them to show "a human streak."

Once Noah bent to pressure from Cecil de Mille and made a character all bad. The picture was known as "The Godless Girl" and was a failure. Since then Noah has determined that all his killers have got to be human.

"They can mow down a guy with a shotgun, but they've got to stoop and pat a kid on the head on the way out."

Sayings of the Week

"People are not greatly interested in what happens to the militia." — *Senator W. A. Griesbach.*

* * *

"In all countries and in all ages idle money has meant idle men."—*Judge George W. Maxey, of Pennsylvania.*

* * *

"For every dollar this country has taken out of mines it has probably put back two dollars or perhaps five dollars."—*Rt. Hon. R. B. Bennett.*

* * *

"In the U. S. it was a case of the people breaking the banks, but in Canada it has been more a case of the banks breaking the people."—*Gerry McGeer, M.P.*

* * *

"Chiselers dog the footsteps of the private citizen to an extent that he has never even suspected." — *A. R. Haskell, general manager, Toronto Better Business Bureau.*

* * *

"I am not here to defend capitalism. On the other hand, capitalism is largely responsible for all the material progress that modern civilization has hitherto made."—*Hon. C. H. Cahan, M.P.*

* * *

"More travel back and forth by businessmen is needed, that the west and east may understand each other's problems better." — *B. P. Alley, assistant general manager of the Canadian Bank of Commerce.*

* * *

"Slowly but surely our corporations are awakening to the vital importance of educational publicity. The Socialists, Communists and anti-capitalists have held the field too much to themselves."—*Hon. Frank Carrel.*

* * *

"One half of the faculty members of Canadian universities have had a large measure, or all of their graduate training in the great universities of the United States."—*R. C. Matthews, president, Canadian Chamber of Commerce.*

* * *

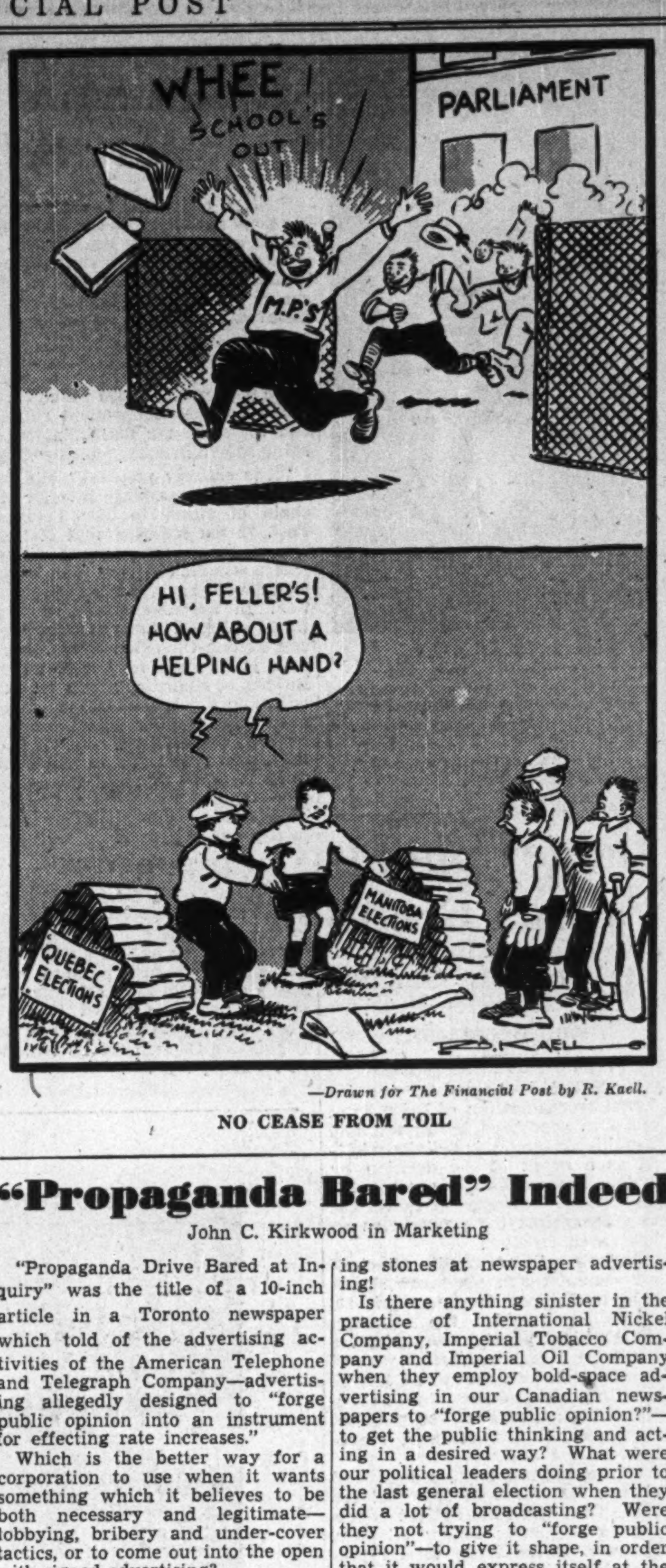
"If a citizen of this country makes a profit on a sale in New York of a stock of a Canadian company, though the sale is made to another citizen of Canada, the U. S. government demands from the vendor a share of the profit."—*Rt. Hon. Arthur Meighen.*

* * *

"If the opinion of the Canadian people as a whole were sought there would be an overwhelming majority in favor of securing at least five million new Canadian citizens as quickly as possible."—*Sir John Aird, president, The Canadian Bank of Commerce.*

* * *

"As a railway telegrapher I worked on what is known as the '7-12-365-40-system, without'. That meant seven days a week, twelve hours a day, 365 days a year and forty dollars a month without vacation. The situation has been improved."—*W. E. Wilton, M.P.*



—Drawn for The Financial Post by R. Kaell.

NO CEASE FROM TOIL

"Propaganda Bared" Indeed

John C. Kirkwood in Marketing

"Propaganda Drive Bared at Inquiry" was the title of a 10-inch article in a Toronto newspaper which told of the advertising activities of the American Telephone and Telegraph Company—advertising allegedly designed to "forge public opinion into an instrument for effecting rate increases."

Which is the better way for a corporation to use when it wants something which it believes to be both necessary and legitimate—lobbying, bribery and under-cover tactics, or to come out into the open with signed advertising?

The implication of the newspaper article which was headed "Propaganda Drive Bared" is that the A. T. & T. did a dastardly thing when it used published advertising to influence public opinion. Queer, is it not?—to see newspapers throwing stones at newspaper advertising!

Is there anything sinister in the practice of International Nickel Company, Imperial Tobacco Company and Imperial Oil Company when they employ bold-space advertising in our Canadian newspapers to "forge public opinion?"—to get the public thinking and acting in a desired way? What were our political leaders doing prior to the last general election when they did a lot of broadcasting? Were they not trying to "forge public opinion"—to give it shape, in order that it would express itself at the polls in a particular way?

Who knows a cleaner, better and more honest way than newspaper advertising when an industrial corporation, or a government, or a railway, or a political party wants to influence public opinion?

Life's Purpose

Rt. Hon. Arthur Meighen speaking in the Senate on his 62nd birthday

A man soon arrives at the stage where he begins to boast of the tenure of life that has been vouchsafed to him. It gives him a feeling of inspiration when he thinks there has at least resulted a fair measure of goodwill on the part of those who know him. There was a great Englishman, never known as a philosopher, whose one doctrine of life was that all living was of value to the human being himself to the degree to which he was able to bring all his work to bear to the advantage of his fellows; in a word, that all that really mattered were his relations with his fellow men. This also was the doctrine, in relation to this life, of the Founder of Christianity, and it is really the essence of all sane philosophy.

When Samuel Johnson was asked what he thought of Gray's Elegy, he answered that there were only two stanzas worthy of attention. He quoted one, which expresses my feeling toward life:

"For who, to dumb forgetfulness a prey,
This pleasure anxious being e'er resign'd,
Left the warm precincts of the cheerful day,
Nor cast one longing ling'ring look behind?"

And then he said, "I forget the other."

This one verse, if it is really the expression of feeling of a man as he advances toward the evening, means that his life has been and is worth while. Though Samuel Johnson could remember only one verse, the author spanned four years in writing the poem. I will say that if I could have attained the same achievement in forty years, I should have thought my life a success.

As Others See Us

It Was Not So Hot
Port Arthur News-Chronicle

The Financial Post, of Toronto, speaks of an article in the News-Chronicle as an icy blast from the North. And we were so sure it would be regarded as hot stuff.

Problem Solved
St. Catharines Standard

Sir Norman Angell, writing a series in The Financial Post, "solves the money mystery," this week. And so have many people now on relief and not at all anxious to get off.

Sir Norman Angell
Red Deer Advocate

Sir Norman Angell is a writer of knowledge and ability. He has been awarded the Nobel Peace Prize, and is an international authority on finance. A series of articles from his pen on "Money" is appearing in the columns of The Financial Post. He is a man of ability and speaks from accurate knowledge.

Government Annuities
Life Underwriters News

The News has been rather reluctant to come out too strongly on the subject of government annuities for the very reason that being exclusively a life insurance publication it would be assumed that it had an axe to grind and was thinking solely in terms of the interest of the life companies rather than the interest of the public.

We have, however, frequently referred to the subject, stressing the unfairness of the scheme, to the general taxpayers, and have from time to time quoted The Financial Post, which paper cannot in any sense be regarded as a life insurance publication but, being a purely financial and business journal could, we felt, speak on the subject from the point of view of sound business policy and without bias.

We feel that The Post is to be commended and congratulated on the stand it has consistently taken over a number of years and which is being amply justified by the facts being made public at the present investigation at Ottawa.

Victims of Repudiation
St. Catharines Standard

The Financial Post renders a good public service when it endeavors to track down, this week, the victims of the act of repudiation of interest by the Aberhart government in Alberta. For years past, the public have been fed with the story of "bloated capitalists," the "financial ring," the "money barons" and "the piracy of the banks." Anyone qualifying as an investor has been subject to the anathema of the soapbox orators, and yet, who are the investors who will take half instead of the whole of the solemnly stipulated interest income on the bonds of Alberta?

What would happen if the Alberta example were generally followed in the Dominion? There would follow a greater collapse than anyone would care to describe. When one considers that repudiation will eventually mean, if carried to its logical conclusion, a halving or reducing to smaller proportion, the average existent insurance policy, an idea can be secured of the havoc on the average Canadian citizen whose thrift has been not only an anchor for himself but for those institutions which have done things in a big way for the progress of the country, educationally, industrially and in divers other ways.

And while Alberta has repudiated its interest debt to those who trusted the honor of its public men, the very men who compose the government have insisted all through the piece in taking their usual salaries, or in this case, their pound of flesh. No reduction there!

Montreal and Toronto
Montreal Herald

Last Saturday's issue of the Toronto Financial Post contained a Municipal Review Section, giving the salient facts regarding the financial position of the various provinces and leading municipalities of the Dominion. The details in connection with Toronto and Montreal are in startling contrast. Take a look at the two pictures—they speak volumes.

Is it any wonder, in face of the conditions revealed by this cold analysis, that Montreal has been sliding backwards while Toronto has been forging ahead? Is it any wonder that Montreal is struggling in a welter of taxation from which there is no prospect of relief short of a drastic change in administration? Is it any wonder that businessmen, workingmen, taxpayers and legislators at Quebec are concerned over the future of this city? There must be a change in the whole form of administration. We must have a proper sense of responsibility, a proper sense of public honesty, and the use of our public funds exclusively for public purposes as apart from political purposes if we are to cut out the cancer of debt and taxes that already is pulling our city down.

Hard Labor or Modernization?
Niagara Falls Review

There are two sharply divided schools of thought on economics, one of which would go back to hand labor as much as possible and do away with machinery, while the other would utilize all the findings of science in the direction of making goods cheaper and more accessible to larger groups of consumers. In every industrial plant in the country, it may be said that present equipment might be scrapped and replaced by more modern machinery which would do the job better and more efficiently. But taxes are so burdensome that seldom is it possible to make such replacements. Alfred P. Sloan, president of General Motors, is strongly in favor of a more aggressive capitalization of obsolescence.

Discussing the Sloan attitude, The Financial Post suggests the need for an up-to-date taxation approach on the part of the government. "For years our laws have been designed to make provision for depreciation, but offer no encouragement to industry to provide against what is at once a hazard and an opportunity—obsolescence." This problem, it is urged, should be thoroughly studied, by the new national Employment Commission, which should outline a taxation policy of recognizing obsolescence as a business cost and thus help speed recovery through modernization.

Public Enemies 1 to 5
St. Catharines Standard

The Dionne quintuplets now have, report says, $500,000 in the bag. That means that they have earned $50,000 a year each, and The Financial Post this week raises a very pertinent issue. Under the caption, "Public Enemies 1 to 5," The Post submits:

"Hon. David Croll says that by the end of 1938 the quints will be worth about $880,000. But he does not say whether this is after or before income tax.

"This whole question of quintuplets' income tax bothers us. Some day some member of Parliament is going to ask questions in the House. That will embarrass the young ladies."

There may even come a time when the inquisitors will point with the finger of scorn and declare that these rich young ladies were only so by the accident of birth, all five of them, and why should they go on living in luxury on interest income provided by the sweat and toil of others?

But leaving aside all facetious reference, it would undoubtedly interest the country at large to know about the income tax being paid, although information of such a character is just not given under any circumstances. Of one thing we may be sure, Papa Dionne has sufficient exemptions with the quints and the others to secure an out.

High Prices and Tariffs
Durham Chronicle

The Chronicle has tried to point out on numerous occasions that high tariffs do not necessarily mean higher prices than low tariffs. We see this now in the cost of agricultural implements. Despite the reduction in duty the past few months, implements are higher in cost to the farmer, and just now the game is to try and figure out why.

A cartoon appeared in the last issue of The Financial Post, showing the government sitting on an egg labelled "Unemployment Problem" while the old hen, "Private Industry" is tied to a stake with a chain called "Heavy Taxation." The caption, "Time to give the specialist a chance at the job" is about as true a thing as we have seen in a cartoon in some years.

We believe the principal thing the matter with business today is the fact it is too much looked after by the Government. Not only in Canada, but all over the world. It is not likely the governments are not doing their best, but it is not much. When the business of this country was run by those trained for it, we had fairly good times.

Under present conditions, the only hope we see for a return to normal business is for the governments to let the people themselves run business in the way it should be run.

The big trouble with governments trying to run business is that they know nothing about it. One can gauge this by running over the personnel in the House of Commons. The larger percentage by far have never been connected with any business; if they have, the chances are it was not a successful one.

Other People's Views

Prodigal Daughter
Drumheller News Review

Here is hoping that Alberta, which is fast becoming considered the prodigal daughter among the galaxy of Canadian provinces, may wake up immediately and get her feet firmly under the Canadian family table and observe the rules and regulations of the family household the same as the other eight daughters. Economic-provincialism for Alberta, perish the thought and kill it deader than an Egyptian mummy.

They're All Competitive
Halifax Herald

Expectation that the Canadian National Railways would equip Atlantic Region trains with air-conditioned cars during the coming summer may not be fulfilled.

Officials in Moncton termed the suggestion "news" and it was indicated the new equipment would be utilized first on "competitive lines" to Chicago and the Pacific coast.

What railway officers have not realized in the past and do not seem to comprehend even yet is that all railway lines in this country are "competitive."

The rivalry is not between one system and another but a death struggle between the two combined and the motor car.

Poor Advertising Medium
Hamilton Spectator

Approximately 900 pieces of Hamilton property were offered for sale for taxes the other day, the net result being that something like $600 was realized in cash. It hardly seems worth all the fuss and expense, but there is a simple explanation for the failure and a simple remedy if official inertia could only be overcome. But to overcome official inertia is by no means a simple task.

These properties have all been advertised in the Ontario Gazette, which is a compulsory condition of sale. The Government gets the benefit of this advertising, which, otherwise is little better than a waste of public money.

How many people buy the Ontario Gazette to read about these tax sales, or for any other purpose? Just a handful of professional people who are not interested in making a purchase.

The consequence is that very few know anything about the bargains to be offered, their location, their character, or any other relevant facts.

Discriminatory Taxes
Halifax Herald

The common characteristic of all governments is to sugar-coat their tax pills.

The Dominion administration is, above all others, fortunate in this respect. Its taxes largely are indirect and unobserved.

The customer, for instance, walks up to the grocery store counter with a dollar. He turns away with a little more than 92 cents worth of goods and an unmentioned tax receipt from the federal treasury for the balance.

As has been said before and as cannot be repeated too often, new taxes and taxation methods, visible or not, are not wanted while economies are earnestly to be desired.

The Emperor of Abyssinia
London Times Report of House of Commons Debate

Mr. Mander asked whether it was intended to receive the Emperor of Abyssinia in this country with the ceremony befitting the head of an independent state-member of the League of Nations.

Mr. Eden—The Emperor is coming to this country at his own request and incognito, and no question of a ceremonial reception therefore arises.

Mr. Cocks (Broxtowe, Lab.)—May I ask whether, in view of the fact that he has put up a good fight for British policy, the Government will consider asking the Emperor to join the Cabinet?

Canada Ignored?
Calgary Herald

F. C. T. O'Hara, former deputy minister of the Department of Trade and Commerce, has returned to Ottawa after an extended visit in Great Britain with a familiar complaint. He found little Canadian news in the British newspapers. There were stories of the Moose River mine rescue, and the Dionne quintuplets received occasional prominence, but Canadian parliamentary happenings were ignored as were Canadian events generally.

Something might be done to remedy this continued neglect of the Dominion as a news field by the development and expansion of an Empire news service covering the leading news originating in the overseas dominions. Constructive developments in this country should be matters of interest in the old land. As it is, only extraordinary occurrences or financial radicalism irritating to British investors can be safely counted on to be reported regularly in the British press.

Tempora Mutantur!
Dr. Nicholas Murray Butler in Commencement Address at Columbia University

At the time when the Government of Italy was setting about the conquest of Tripoli in 1913, the Italian Socialist paper, Avanti, printed an article containing the following paragraph:

"Here then we are confronted by an Italy, nationalist, conservative, clerical, which claims to make the sword its law, and the army the school of the nation. We had foreseen this moral perversion, and, for that reason, are not surprised by it. But those who think that this preponderance of militarism is a sign of strength are mightily mistaken. Strong peoples have no need to give themselves up to such a stupid orgy as that in which the Italian Press is now letting itself go with mad exaltation. Strong peoples have some sense of measure. Italy, nationalist and militarist, shows that it lacks this sense . . . Thus it comes almost that a miserable war of conquest is acclaimed as if it were a Roman triumph."

The name signed to this admirable expression of opinion was "Benito Mussolini."

As Good As Its Bond
New York Times

Cynical folk have been saying that today as never before a government's word is as good as its bond. This happy state of things has been made possible by the fact that a nation's bond is worth so little nowadays. Whether it is a signature attached to a treaty, or a promise to pay the foreigner, or a promise to pay one's own citizens, necessity knows no bond, interest or principal or both.

Stop Me If You've Heard This One . .

The customer proved most exacting, and the assistant was growing impatient.

"Now you are sure this is genuine crocodile skin?" the customer enquired, critically examining a handbag.

"Quite sure, Madam," was the reply. "You see, I know the man who shot that crocodile."

"It looks rather dirty," remarked the customer.

"Well, yes," replied the assistant, "that's where the animal struck the ground when it fell out of the tree."

Week in Business

Tourist Trade for 1936 May Rise 40 Per Cent

Holiday Business and Crop Prospects Favorable Omens for Second Half — Increase in Foreign Trade Features First Six Months

Business says goodbye to the first half of 1936 with reasonable satisfaction and looks to the last half of the year with a fair degree of optimism. For the first five months of the year our business volume was maintained at 9 per cent above the same figure for 1935. Even more important—the slowing up in activity during February and March was more than counterbalanced in April and May. The Financial Post index of business in May recovered to 108.1 (1926 equals 100) as compared with 108 in December and 106 in March.

* * * *

U. K. Exports Lead Trade Revival

Most notable development of the year to date (as forecast in this column 6 months ago) has been the sharp recovery in foreign trade. Five-month figures show total trade higher by 15 per cent due to an 18 per cent increase in exports and a gain of 10 per cent in imports. It looks as if total trade for the 6 months period will easily top the $700 millions mark for the first time since 1930.

Five-month figures for individual countries are only available for exports, but one remarkable fact is that so far this year our sales to the United Kingdom have reached almost $123 millions, an increase of over 28 per cent compared with the same period in 1935. Exports to the United States in the same period were almost $129 millions, an increase of nearly 21 per cent.

* * * *

Tourist Trade May Near 1929 Peak

And with the holiday season now under way, merchants, transportation companies, hostelries and service stations anticipate the best season in many years. Not only will Canadians spend perhaps 20 or 25 per cent more than last year, but in addition the tourist influx from the United States, which last year is said to have brought over $190 millions of new money to this country, is estimated to run as much as 40 per cent above the 1935 record. If this materializes, tourism in Canada will have the best season in history with the single exception of the peak year 1929.

* * * *

Wheat and Durable Goods

Other favorable omens for the remainder of 1936 include agricultural prospects and particularly the wheat crop now rising across hundreds of miles of prairie. A wheat crop is never a crop until it's in the bin, but anyone with faith in the law of averages is looking for a bumper harvest with its consequent stimulating effect on farm buying power and on all the myriad agencies which share in getting our wheat into consumption and export.

There should be mentioned, also, the slow, upward movement of activity in the durable goods industries which have climbed to firm ground this year for the first time since 1930. An index of "producer goods" industries compiled by the Dominion Bureau of Statistics is currently near the 105 mark (1926 equals 100) compared with 92 this time last year and a low point of 52 at the end of 1932.

* * * *

Financial Factors Uncertain

Financial skies are still none too bright, important focal points being the prospect of some new currency move by Roosevelt prior to the election and the continued uncertainty in France.

A British commentator puts the French situation neatly this week when he says: "Meanwhile the flight from the franc continues and it remains to be seen whether M. Blum will succeed where King Canute failed."

Changes of the Week

Favorable

Central station power output in May rose 8 per cent above corresponding figures in May, 1935. The record of monthly increases has now continued unbroken since May, 1933. Quebec output was 1 per cent below last year due to lower exports to Ontario. Other provinces showed increases.

Carloadings were fractionally higher than the same week last year. Lower grain loadings in the west were the major debit item. Eastern grain loadings were higher.

Other factors are reviewed in news stories elsewhere on this page.

Unfavorable

Building permits; rubber imports; crude petroleum imports.

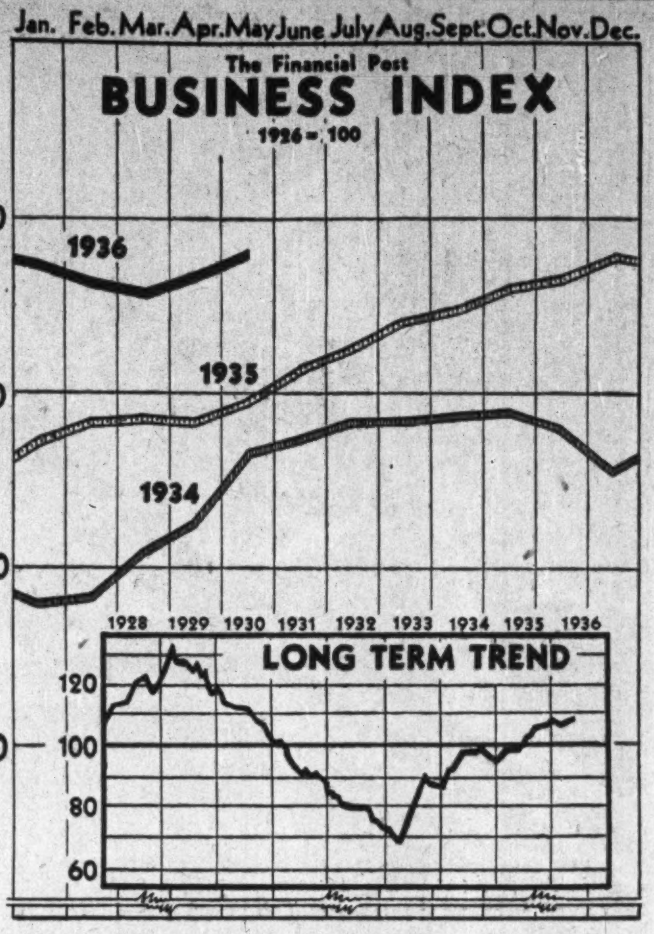
Automobile production was also slightly lower than in May, 1935, but detailed figures not available at time of going to press.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (June 13)	▲45,920	45,726	1,033,056	1,024,969
C.N.R. gross earn. (June 14)	$ ▲3,337,186	$ 3,153,147	$ 77,643,000	$ 72,524,800
C.P.R. gross earn. (June 14)	$ ▲2,477,000	$ 2,340,000	$ 55,948,000	$ 50,964,000
Business Conditions—				
Weekly index D.B.S. (June 13)	▲106.0	104.2	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (May)	▲108.1	99.6	......	......
Transportation—				
C.P.R. net revenue (Apr.)	$ 1,337,457	$ 1,412,597	$ 4,165,161	$ 3,514,292
C.N.R. net revenue (Apr.)	$ 1,455,306	$ 1,526,995	$ 1,532,048	$ 2,008,694
Iron and Steel (May)—				
Pig iron production (tons)	▲58,832	45,432	283,973	215,222
Steel ingots and castings prod. (tons)	▲94,602	72,811	496,504	314,713
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Apr.)	17,264	15,401	35,744	33,480
Factory output (Apr.)	20,247	20,688	56,849	61,021
Trucks and Buses:				
Domestic sales* (Apr.)	3,394	2,766	7,470	6,351
Factory output (Apr.)	4,704	3,435	12,693	13,798
Exports (Apr.)	5,081	6,310	20,123	26,694
Construction—				
Building permits (May)	$ ▲4,160,988	$ 4,728,340	$ 12,914,830	$ 19,535,656
Contracts awarded (May)	$ 14,962,800	$ 16,302,400	$ 56,905,100	$ 57,073,100
Newsprint (tons)—				
Production (May)	267,067	242,693	1,219,212	1,054,253
Exports, tons (April)	192,893	158,923	818,417	696,453
Sugar, (lb.)				
Melting & shipments‡ (raw)	92,560,733	80,171,459	207,081,288	197,493,501
Manufactured‡	86,330,367	77,519,642	199,930,805	207,027,807
Flour (bbls.)—				
Production (Apr.)	1,009,464	965,765	4,182,210	3,978,227
Wheat flour exports (May)	448,653	383,221	1,861,001	1,813,384
Trade—				
Retail trade (index no. of sales) (Apr.)	70.7	69.5	......	......
Imports (May)	$ ▲59,012,669	$ 54,539,747	$ 236,285,406	$ 213,640,704
Exports (May)	$ ▲83,819,751	$ 65,498,251	$ 343,966,944	$ 291,528,044
Wheat exports (bush.) (May)	27,316,983	11,989,891	68,824,021	38,510,499
Employment, D.B.S. Index (May 1)—				
All industries	99.5	95.2	......	......
Manufacturing	102.7	95.6	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	▲2,083,045	1,923,071	10,410,814	9,563,844
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (May)	▲136,894	129,517	485,035	457,365
Boot & shoe prod., pr. (Apr.)	2,085,587	2,026,464	7,525,384	6,875,185
Crude petrol. imp. gal. (May)	▲103,517,363	131,131,917	323,829,524	328,749,567
Cotton imports, lb. (May)	▲9,858,993	6,316,015	62,202,905	43,654,569
Raw rubber imp., lb. (May)	▲4,974,572	8,800,907	19,636,856	26,724,581
Coal imports, tons (Apr.)	492,870	652,071	1,982,650	2,152,419
Finance—				
Bank debits (April)	$ 2,773,756	$ 2,366,725	$ 11,132,084	$ 9,373,616
Bond sales (April)	$ 104,655,000	$ 76,570,000	$ 499,047,114	$ 137,909,974
Life insurance sales (May)	$ ▲26,977,000	$ 27,423,000	$ 155,483,000	$ 149,443,000
Automobile Financing—				
Used cars (Apr.)	$ 2,876,257	$ 2,123,201	$ 6,525,596	$ 4,707,853
New cars (Apr.)	$ 4,250,665	$ 3,250,246	$ 8,470,752	$ 6,794,688

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to May 16.



BUSINESS AT NEW HIGH

A gain of one point in May featured The Financial Post business index which reached the highest point since 1930. The late winter recession has now been entirely overtaken, due to excellent showing of several factors.

Mining was especially active despite lower gold shipments and less-than-normal gains in nickel and copper exports. Zinc exports were especially large. The index of foodstuffs manufacture gained 10 points with sugar output and cheese exports dominating. Textile imports were better, notably wool imports.

Production of newsprint showed a slight gain to a new high point for the month. Motor car production slackened while imports of crude petroleum indicate an active season for the oil industry. Imports were heavy in May corresponding with the general level of business operations.

Background of Business

Radio Manufacturers See 25 P.C. Increase

Best Sales Results Expected in Medium Price Range—Alberta Plumbers Must Get License—Close Auto Figuring

Major sales of radio sets at retail in Canada this year will be largely in the medium priced group, according to preliminary surveys by radio sales' executives.

Volume of business by Canadian radio manufacturers will exceed that of 1935 by about 25 per cent on the basis of indicated manufacturing commitments to suppliers.

A group of radio and furniture company officials, with other trade connections, met in Toronto this week, planned buying commitments in the light of probable public demand, held luncheons and dinners, and arrived at the conclusion that the radio business in Canada this year will show a volume not comparable with 1929, but the best since that year.

Interesting facts evolved from the co-operative spirit of two major industries were:

One, that all Canadian radio manufacturers buy their cabinets in Canada, with the exception of one concern in Montreal which manufactures them through a subsidiary.

Two, that gross value of business to be placed with Canadian furniture manufacturers this year from the radio industry alone will be, at a conservative estimate, $750,000.

Three, that in the last ten years in Canada, radio and makers of radio cabinets have combined by mutual efforts to raise the quality of Canadian-manufactured radio cabinets.

Said James S. Duffus, manager of the McLagan Furniture Co., Stratford, Ont.: "Our plant is working two shifts to supply radio concerns, retail furniture outlets and other buyers.

"We are going after business—and getting it."

* * *

Independents Slip

Increased prosecutions under the Weights and Measures Act during the first 3 months of 1936 as compared with that same period in 1935 were disclosed in the House of Commons recently.

During the first 3 months of 1935, there were 44 prosecutions and 39 convictions, 4 other cases withdrawn, one laid over. During the same period in 1936, there were 143 prosecutions, and 111 convictions, an additional 15 cases brought up in March resulting in convictions in April, and 16 cases still pending.

Chains were the worst offenders in 1934 and independents the worst in 1935 in Ottawa and Toronto, it was also shown. In 1934 there were 42 convictions against chain store branches in Ottawa and 105 in Toronto. In 1935 there was none in either city. In 1935 there were 9 prosecutions against independents in Ottawa, 55 in Toronto.

* * *

Close Figuring

Motor car makers in Canada are constantly watching "content" qualifications.

One manufacturer in order to raise the Empire content of his car has started importing glass from Great Britain though the cost is about 12 per cent more than formerly. Since there is about 21 sq. ft. of glass in a car and the extra cost of the British product is about 3 cents per square foot, this means 63 cents a car extra in order to qualify.

This shows just how close the figuring is in this big industry.

* * *

Tooth Powder Boom

Growing popularity of powder dentifrice is evidenced in a recent study carried on by a New York research organization, says Drug Merchandising. A survey of 40,000 families in 20 cities for the year ending last May 1, showed an increase in the number of people buying the powder, as compared with those buying paste. During the first quarter, it was found that 84 per cent used tooth paste, while 25 per cent used the powder (overlapping caused by some families using both). During last quarter, the tooth paste figure was 73 per cent, and the figure for powder was 36 per cent.

An interesting angle was brought out in connection with the frequency of purchase during this period. It was found that during the first quarter, the weekly average of people buying dentifrices was 23 per cent, while during the last quarter it dropped to 20 per cent. This indication of slower consumption of tooth powder was borne out by compiling the weekly ratio of buyers to users of one well-known paste as compared with a well-known powder. The percentage for the tooth paste was 22 per cent, and 16 per cent for the powder. In other words, in any one week, 22 per cent of the tooth paste users purchased new tubes, while only 16 per cent of the powder users replenished their supplies

* * *

Plumbers Licensed

Workers in certain designated trades in Alberta now face the necessity of obtaining certificates of proficiency from the provincial government, says Sanitary Engineer.

The Tradesmen's Qualification Act passed at the first session of the present legislature and requiring these certificates became law June 3. The government is empowered to make provision for examination of persons as to their proficiency and to issue certificates in proper cases.

The act requires licenses for all plumbers, steamfitters, electricians, electric welders, acetylene gas welders, barbers and mechanics engaged in work on automobile engines, steam engines, radios, refrigerators and refrigerating machines.

Persons engaged in any other trade may also be brought within the scope of the act if two-thirds of those engaged in that trade petition the government for inclusion.

* * *

Canada Buys Woollens

The best feature of the British textile export trade this year has been the expanding shipments of woollens, says the monthly bulletin of the Department of Overseas Trade. There is an increase of over 3 million sq. yds. during the first 4 months of the year in comparison with last year and an increase of about 5 million sq. yds. on the first 4 months of 1934.

New Record Reached By Business in May

A gain of one point in The Financial Post preliminary index of business in May brought operations in that month to a new high position for recent years. The advance was not general among the 47 factors but a number of brilliant gains was disclosed. The index was 108.1 against 107.0 in the preceding month. Several factors are still outstanding but it is not considered the index will be greatly altered by complete returns.

Eight factors bearing on the trend of mineral production were divided 5 to 3 between advances and declines. Gains in copper and nickel were less than normal for the season. The index consequently declined from the high level of April.

A bright spot of the month was the heavy export of zinc. Shipments of gold were considerably below the high level of April; silver shipments showed a marked gain. Exports of asbestos were relatively high and a considerable gain was shown in the imports of bauxite for the manufacture of aluminum.

Foodstuffs Gain

A gain of about 10 points was shown in the index of the manufacture of foodstuffs. A sharp increase was recorded in the production of sugar, the amount in May being over 86,000,000 lb. Meat packing declined despite increase in hog slaughterings. A factor in the limelight was the heavy export of cheese, while release of cigarettes rose to more than 500,000,000.

Imports of raw materials by the textile industry was an important development. The adjusted index of wool for further manufacture entered very high territory. The imports of raw cotton were up very substantially.

After seasonal adjustment the forestry industry was not so active as in April. The newsprint production, however, showed a slight gain,

The external trade of the Dominion continues to attract attention, the increase in imports being outstanding in May. The total value $59,013,000 against $42,223,000 in April. Part of this gain was of a seasonal nature but the index showed an increase from 82.7 to 91.5. The gain to $84,515,000 in exports was less than normal for the season.

MAJOR CANADIAN ECONOMIC FACTORS

	May 1936	May 1935	April 1936	Inc. or Dec., May 1936-'35
The Financial Post business index	108.1	99.6	107.0	+ 8.5
Wholesale prices	71.8	72.2	72.2	— 0.6
Common stock prices	112.8	93.6	115.9	+ 20.5
Shares traded, Montreal, number	371,140	350,738	461,450	+ 5.8
Inverted index of Dom. bond yields	145.3	140.0	143.9	+ 3.8
*Bank deposits	113.7	107.2	111.2	+ 6.1
Mineral production:				
Copper exports, cwt.	419,190	345,974	292,618	+ 21.2
Nickel exports, cwt.	130,693	102,376	109,665	+ 27.7
Zinc exports, cwt.	338,290	263,374	148,231	+ 28.4
Gold shipments, fine oz.	273,098	278,678	305,110	— 2.0
Silver shipments, fine oz.	1,449,995	831,003	718,421	+ 74.5
Bauxite imports, cwt.	187,624	259,087	110,052	— 27.6
Manufacturing production:				
*Flour production, bbls.	1,009,464	965,765	1,171,741	+ 4.5
Sugar manufactured, lb.	86,330,367	77,519,642	46,454,928	+ 11.4
Cattle slaughterings, number	136,916	140,094	134,399	— 2.3
Cheese exports, cwt.	36,087	12,041	5,057	+199.7
Raw cotton imports, lb.	9,858,993	6,316,015	7,122,912	+ 56.1
Cotton yarn imports, lb.	423,102	465,432	340,924	— 9.1
*Leather boot and shoe production, pr.	1,923,141	1,912,398	1,986,047	+ 0.6
Newsprint production, tons	267,067	242,684	258,721	+ 10.0
Steel ingot production, tons	94,602	72,811	107,220	+ 29.9
Pig iron production, tons	58,832	45,432	54,045	+ 29.5
Automobile production, number	20,006	20,765	24,951	— 3.7
Petroleum imports, gal.	103,517,363	113,131,917	54,142,896	— 8.5
Crude rubber imports, lb.	4,974,572	8,800,907	2,416,012	— 43.5
Exports of planks and boards, ft.	136,894,000	129,517,000	107,949,000	+ 5.7
Construction: Contracts awarded	$14,962,800	16,302,400	9,815,100	— 8.2
Building permits	$ 4,160,988	4,728,340	3,196,471	— 12.0
Carloadings, number	190,068	188,351	193,067	+ 0.9

* Preceding month.

World Group Asks for Cut In Cable Costs

Move to Restrict Service and Increase Rates Challenged

A warning to world cable and telegraph services that any move toward costlier cables would seriously affect business usage and a recommendation for an all-round reduction in international telegraph rates as a means of increasing the number of cables sent, were made recently at a special meeting of the telegraph committee of the International Chamber of Commerce held at Paris, and representing commercial users of the world.

The committee urged the scheme put forward by certain telegraph administrations for establishing a single rate in extra-European service for code and plain language telegrams (instead of the two separate rates as at present) should be dropped unless it formed a part of a more general scheme leading to an all-round reduction of rates.

International Survey

The committee's conclusions were based on results of a statistical enquiry conducted in 31 countries among 2,147 firms whose total annual cable expenditure amounts to £1.5 million. A test check was made for 1 month in 1935, and it was found that overseas business cables are chiefly sent in code and that business messages would not benefit by any reduction in the full rate for plain language messages but would be seriously affected by even a slight increase in rates for code messages.

Another important recommendation made by the committee was to re-establish the minimum charge of four words for code telegrams existing before the 1932 tele-communications conference, instead of the five-word minimum at present in force.

New Letter Plan

Another suggestion was that a new kind of letter telegram be introduced to be charged for at a very low rate per hundred words and delivered by post instead of by a special messenger.

Canadian representative at the conference was Percy W. Ward, branch manager, Sun Life of Canada in London. The committee's recommendations will be incorporated in a report to be forwarded (after approval by the International Chamber of Commerce Council) to the meeting of representatives of Telegraph Administration to be held in Warsaw in October this year preparatory to a 1938 governmental communication conference in Cairo.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.50	$5.75	$7.15
Hogs	9.60	9.35	10.80
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1232	.1180	.1195
Rubber, lb.	.1588	.1566	.1258
Sugar, raw, lb.	.0376	.0375	.0325
Silk, lb.	1.59	1.65	1.41
Wheat (Man.) bus.	.83⅜	.79⅞	.81¾
Coffee, lb.	.07	.07	.06¾
Weekly Indices			
N. Y. Annalist	120.7	120.6	122.5
Fishers'	82.5	82.3	82.0
N. Y. Journal of Comm.	80.5	79.5	78.2
Crumps (Brit.)	68.2	68.0	64.8
U. S. Labor	78.4	78.4	79.9
Canada (D.B.S.)	72.3	72.0	71.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (May)	80.1	79.8	78.6
W'sale (May)	71.8	72.2	72.2
U. S. Labor (Mar.)	79.6	80.6	79.4
Gt. Brit. (Mar.)	91.7	91.7	86.9

Note: The base of indices is that 1926 equals 100. British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

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HIGHWAYS for the Million

Canada's $700,000,000 Highway Plant Moves Forward to New Standards of Safety and Service — Modernization Plays Vital Rôle in Reconstruction and Extension of Automotive Arteries

CANADA will spend a billion dollars for new and improved highways within the next decade. Even today, our highway plant is valued at over $700,000,000, while from coast to coast a steady stream of men, money and materials goes ceaselessly to make bigger, broader and safer pathways along which to carry our automotive commerce.

And highway building of the right type stands clearly as one of the monuments to the fact that modernization booms business.

Take, for instance, the major roadways along the Canada-U. S. frontier, which bring millions of touring motorists into Canada. Even last year the new wealth contributed by these visitors topped the $200 millions mark, and well-authenticated figures for 1936 point to an increase of as much as 40 per cent this summer. Since the expenditures of these visitors for gasoline, meals, sleeping accommodation, merchandise and other purchases reach between two and three million dollars daily during summer months, it is obviously "good business" for Canadian provinces to encourage this golden inflow in every possible way by making it easy and attractive for these visitors to come.

And good highways top the list. Particularly those highways near the border which join super-roadways linking the great cities of that country. It is these main arteries which usually introduce the visitor to this country; which give him at once a good or bad impression of our hospitality. It is the ease with which these roads can accommodate peak loads and holiday traffic that turn the trick in favor of satisfied travellers and return visits.

And once these visitors get the habit of holidaying in Canada, it is not long before many of them busy themselves with such things as our mineral resources and similar economic opportunities. Not long before they invest money in our gold, copper and nickel mines and other business and financial undertakings.

Yes, highway modernization is good business for Canada.

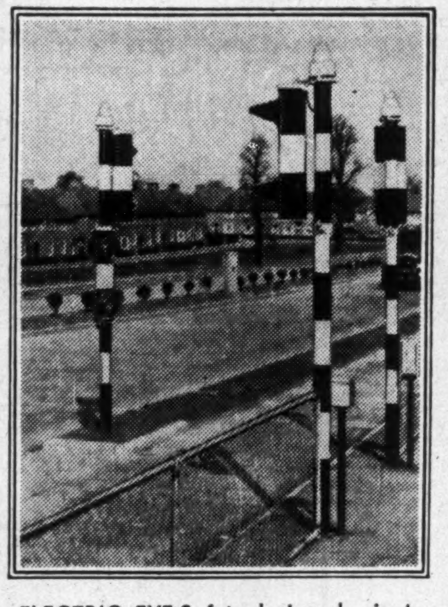
* * *

Straight Thinking

AND there is need for some straight thinking about highway problems.

In Canada the problem is a personal one for the owners of more than one million registered vehicles that use these rights of way, and for the two million drivers who operate these cars.

Remember that these motor cars burned last year half a billion gallons of gasoline and travelled well over seven billion miles during the year, for the average motorist drives his car twice as far, annually, as he did ten years ago. And in 1935, Canadians spent over $100 millions on new motor cars alone. An additional



ELECTRIC EYE Safety devices dominate modern highway and street construction. This electric eye automatically changes the traffic lights at the approach of a pedestrian.

$55 millions was paid for gasoline taxes and provincial license fees.

But cars without roads are useless, which is something often forgotten by those who plead for lower license fees and gasoline taxes. The better the road the more useful the investment in a motor car becomes, which means that Canada's two million motor car users have a definite stake in seeing that not only is this money spent well and wisely, but that it is spent primarily for the purpose for which it was collected—namely, to meet the cost of highway construction and maintenance rather than being diverted to non-highway uses.

* * *

Safety First

IN ESSENCE, the highway problem which faces Canada or any other country can be quite readily divided into three parts. There is the safety problem, the obsolescence problem, the extension problem.

Safety has been dominant and underlying in nearly every mile of highway construction in recent years. It is the factor touching every phase of highway development from grade separations to traffic lights and educational campaigns.

For example, one large industrial corporation has created a special traffic paint for use on paved surfaces which is non-soluble, has a high intensity of color, will stand up under the most exacting conditions and if necessary will dry to a hard, usable finish in as short a time as 20 minutes. Other manufacturers have contributed by the development of safety or non-skid surfaces which aid motorists in hugging the ground on wet days instead of slipping or skidding into danger and destruction.

IF WINTER COMES Canadian motorists may still use their highways thanks to modern machinery and ceaseless vigilance of highway officials. Last year over 12,000 miles of road were kept clear for motorists the year round.

Another interesting approach has been the co-operative effort of telephone companies to remove any hazard by reason of their poles and equipment. In the larger cities as much as 85 per cent of telephone wire is now carried underneath city streets. One important though costly development has been the replacement in recent years of long-distance circuits with cable erected on a private right-of-way running by the most direct route rather than along the highway.

For night-driving, scientists and engineers have devised floodlighting equipment which has reduced accidents from 40 to 50 per cent wherever installed. More than half the fatal accidents in Ontario in 1935 occurred during dusk and darkness, with fatal accidents reaching their peak between 8 and 9 p.m. Major drawback at the moment is the element of cost since illumination of highways at night would cost for capital and maintenance charges about $1,000 per mile annually. This does not obviate, however, the very necessary expenditure by cities, towns and municipalities to improve urban street lighting, much of which is inadequate and obsolete.

One interesting fact not tied to dollars and cents, is the proved merit of daylight saving in cutting highway fatalities by bringing better light to the danger hours of 8 and 9 p.m. It is estimated, for example, that there would have been 24 fewer people killed and 840 fewer injured in Chicago in 1935 if Eastern instead of Central Standard Time, as formerly in effect, had been introduced there last year.

Another vital safety factor which bids fair to change the appearance of most existing roads is the relation between safety and drainage. A few years ago highway engineers prided themselves on making drainage the primary consideration. They built our main highways with deep graceful ditches on either side—an accomplishment of which they were duly proud. But the ditches turned out to be death traps so that present-day practice looks to tile to carry away excess water so that shoulders can be levelled off flush with the main road to provide an important margin of safety in case of trouble.

* * *

Poor Roads Costly

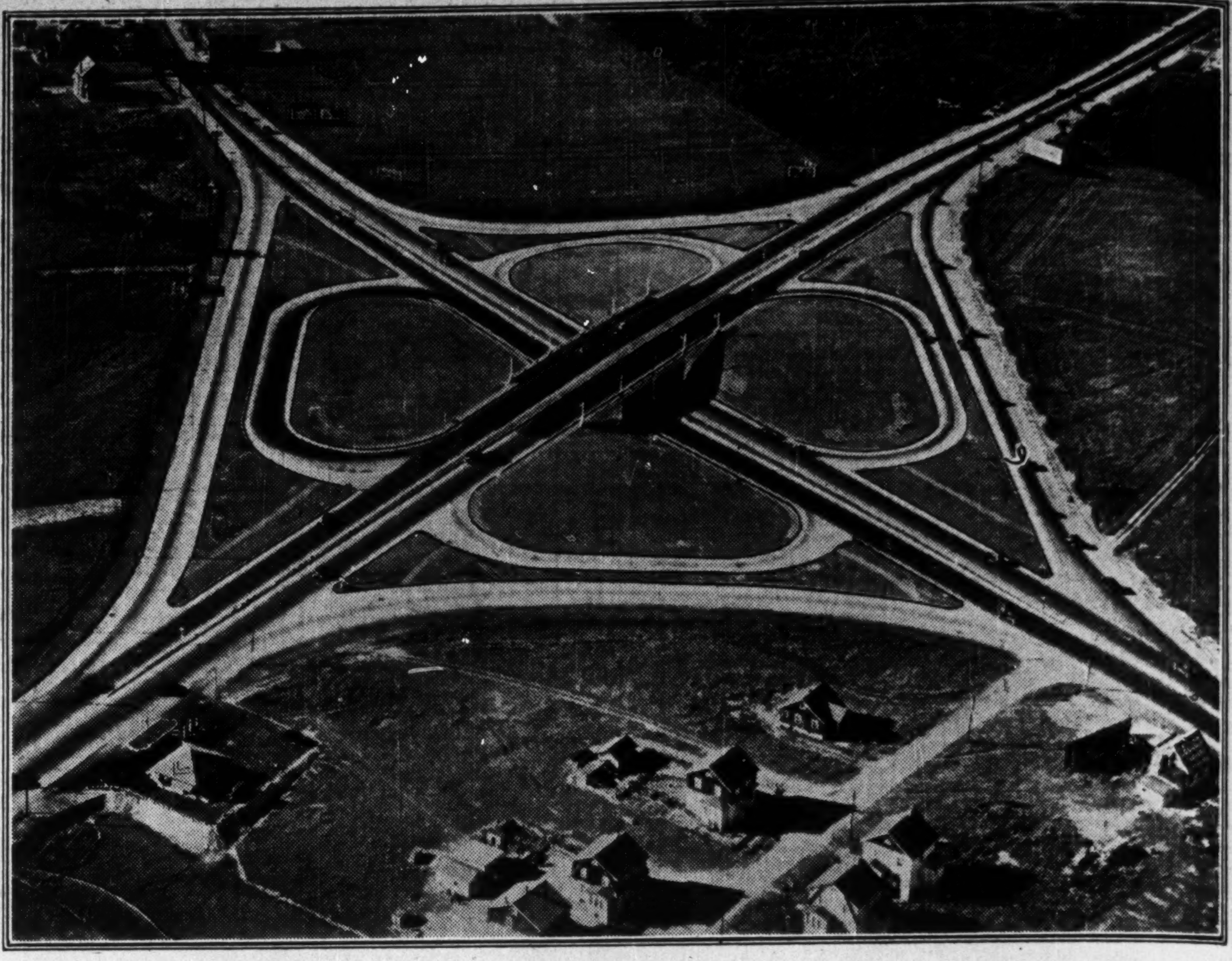
AS TO highway obsolescence, the subject is as broad as the whole field of transportation itself.

One approach is the fact that highway engineers are agreed that it costs one cent a mile more to drive on a loose gravel road than on a consolidated surface. Thus if a loose gravel road carries 500 vehicles a day it is costing car-owners $5 a day per mile more than it would if it were "stabilized."

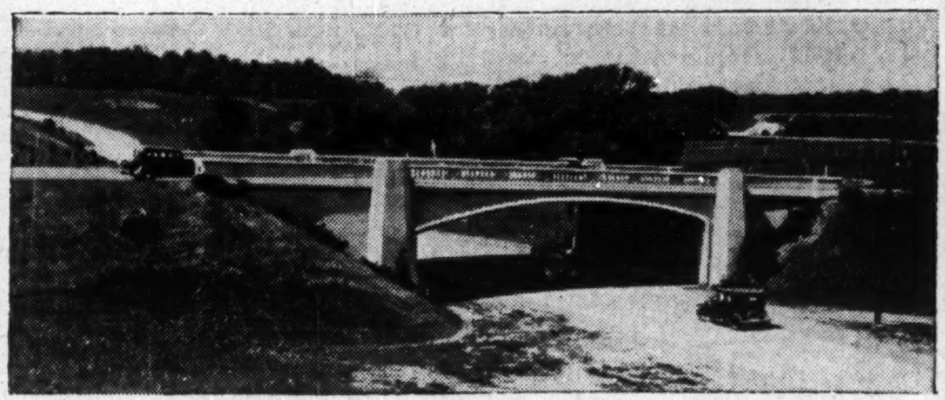
Assuming 250 driving days (free of ice) a year, that one mile is costing $1,250 annually to the users. First steps toward "stabilization" of that surface can be taken for about one-quarter of that sum. Also poor roads cause dust which not only causes accidents and slows up traffic, but also represents loss of road material. A 500-vehicle road will lose 250 yards of gravel per mile in a year.

Another argument for modernization is that highway engineers estimate they are justified in spending in a province like Ontario, $70 to save as much as one foot of highway mileage. The reasoning is the same as that which led to the construction of the $300 millions Pulaski Skyway between Newark and Jersey City.

Taking the figure of 12 cents per mile as the average cost of operation of automobiles and using a basis of 20 million vehicles a year, it was estimated that the reduction of each mile of traffic would lessen operating cost $2.4 millions each year. This sum capitalized at 5 per cent was held to justify the investment of $48 millions to eliminate a mile of distance. Losses due to delays at intersecting roads



FOUR-LEAF CLOVER Still a lucky emblem for speeding highway travellers. This time it finds expression in the famous "clover-leaf" highway crossing where two major lines of traffic intersect. This new motif in highway construction is now being introduced on Canadian highways in modified form to speed traffic and reduce accident hazard.



SAFE BEAUTY Atop this man-made valley motorists can speed safely while cross-cut traffic travels underneath. Millions of tons of concrete are used annually to erect attractive, long-living structures such as this.

were calculated at seven million car-minutes per year, or $154 millions. The figures look high to Canadians but they serve to indicate one side of the new economics of roadbuilding.

* * *

Highways of Tomorrow

Then too, the need for separated traffic lanes for high speed traffic is now generally appreciated and is being rapidly introduced into Canada. The main trunk roads of tomorrow will doubtless be wide sections of pavement separated by a boulevard strip down the centre. Such treatment brings in its wake important subsidiary problems wherever cross-traffic occurs. This means the introduction of so-called "clover leaf" and other types of traffic circles and grade separations, now making their appearance in Canada for the first time.

One of the most unusual examples of highway modernization was recently undertaken along the New Brunswick Pike highway in New Jersey, where an eight-mile strip of concrete road was modernized by the amazing phenomena of literally pushing one part of the concrete 12 feet to one side, by means of compressed air. This provided for separation of opposing lanes of traffic and permitted an economical widening at the same time

* * *

Canada's Main Street

IN THE field of highway extension, a fascinating drama is the building of a Canadian Main Street from coast to coast and linking with a broad highway the ends and middle of this far-flung country. In the past five years Canada has spent $30 millions on her trans-Canada highway, yet some 400 miles of territory still remain to be hewn and levelled into shape at a cost of an additional $20 millions before even a gravel roadway will achieve for motorists what far-sighted engineers and financiers achieved for steam transportation just 50 years ago this month.

Another pioneer job of equal interest and importance has been the blasting of new roadways to keep pace with Canada's mighty mineral advance. Millions of dollars are being spent this summer to rush forward the work of linking these new wealth-producers to civilization.

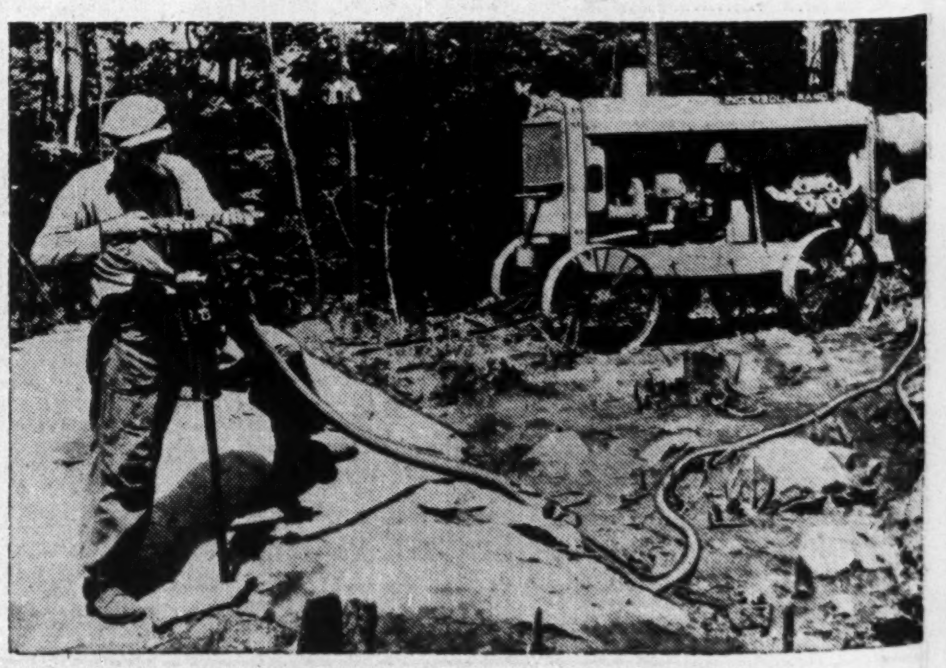
* * *

Economic Contribution

NO SAGA of modern highway development would be complete without reference to the far-reaching ramifications of this industry on the economic life of the Dominion.

An exhaustive study recently undertaken in the United States disclosed that an annual highway expenditure of $100 millions resulted in an average annual employment on highway work and in industry of approximately 102,690 persons continuously employed for twelve months at an average annual cost of approximately $970 per person employed. For each of the 37,960 persons employed directly on highway construction projects, approximately 1.71 names of individuals are employed indirectly in industries furnishing materials, equipment, supplies and services. This annual expenditure is said to initiate a movement which eventually involves (in the handling and processing of materials by industry) a total value of business transacted of approximately $315 millions.

Not only does this work tap raw materials from many parts of the country, but the adaption of these natural resources to highway use requires numerous stages of processing. Stone must be quarried, transported, crushed, separated into sizes and proportioned with other materials in proper amount. Clay must be dug and converted into brick and tile. Limestone and gypsum must be quarried and manufactured into cement and plaster. Petroleum must be produced and refined into fuel and asphalt. Iron ore must be mined and shipped, and blast furnaces and steel mills must operate to produce structural and reinforcing steel. Coal must be mined and timber felled and milled.



TRAIL BLAZING Modern machinery is playing an important rôle in opening highways into Canada's hinterland. This portable compressor supplies air to two rock drills which greatly lower rock removal costs.

In dollars and cents, the study shows that of the total expenditure of $100 millions over $24 millions goes in salaries and wages, $21 millions in equipment, $48.7 millions in materials. The remainder is other expenditures, such as insurance, taxes, etc. A further break-up of material expense shows $19.3 millions goes to the quarrying of aggregate; $19.5 millions for cement; $5.7 millions for iron and steel; $2.6 millions for petroleum products. The remainder is distributed for pipe, forestry products, brick, etc.

* * *

Dollar for Dollar

SINCE the survey was made by thoroughly competent, independent experts, the concluding paragraph is of wide interest to those responsible for highway construction and also for the millions of users who have a right to demand the best possible value for their highway dollar. The survey concludes:

> "Sound management directs the application of labor in the processing of materials, and makes efficient use of every available mechanical means. Only by this combination is full value received for highway expenditure.
>
> "A high degree of mechanical efficiency is an important adjunct of the agencies in production and distribution. Sacrifice of mechanical efficiency means higher cost, decreased volume of production and ultimate reduction in payroll.
>
> "Conversely, the use of efficient machinery and methods in construction means lower cost, increased productivity and ultimate increase in payroll and the greatest return for funds expended."

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian homes, Canadian people and Canadian industry

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In The Construction World

Saving Highways

ASIDE altogether from commercial advantages, it is estimated the well-travelled, hard-surface highway saves the ordinary motorists several times its capital cost in 10 years.

When Canada launched the first project of this kind 20 years ago in the building of the Toronto-Hamilton Highway, there was a storm of criticism. The scheme was damned on many sides as an utter waste of public money. There was not, it was claimed, nearly sufficient traffic on this 40-mile stretch to warrant the expenditure for the narrow strip of concrete surfacing proposed.

Yet statistics show that this now outdated highway carries an average of 6,000 cars per day. To each of these cars, it is conservatively estimated, the hard surface means a saving of at least one cent per mile in fuel, wear and tear, or 40 cents per trip. This runs up a total saving of $2,400 per day, or nearly a million annually. All of this, of course, is in addition to the much greater relative saving which accrues to truck, freight traffic, nor does it take into consideration at all increases in the value of the real estate opened by the highway.

The Ontario government is now considering the complete rebuilding of this famous road. It estimates that not only has such a step been justified financially, but the outlay necessary would again be repaid in still greater savings per car mile.

* * *

Remodelling Leads

INDICATIONS are not lacking that an expansion in remodelling and improving of old homes usually precedes a boom in new building. This development has been pointed out in this column over and over again. It is cited as a good reason for including in any government building project, like the Dominion Housing Act, some provision for improvement to existing building. But as interest in housing develops, gradually the percentage of new building increases until a point is reached where it greatly exceeds remodelling. Then the real boom gets into full swing.

While as yet new house building in Canada still lags behind the remodelling, in United States the scene is changing more rapidly. In the recent annual survey of Cleveland, considered typical of the eastern states, the following conclusion is reached:

"Significantly, 71 per cent of the total dollar volume of construction permits in 1934 was for remodelling, with only 29 per cent spent for new construction. In 1935, 57 per cent of the construction money went for remodelling while 43 per cent was put into new structures, pointing the trend optimistically back toward that of 1920 when 91 per cent of all the money spent for construction was put into new homes."

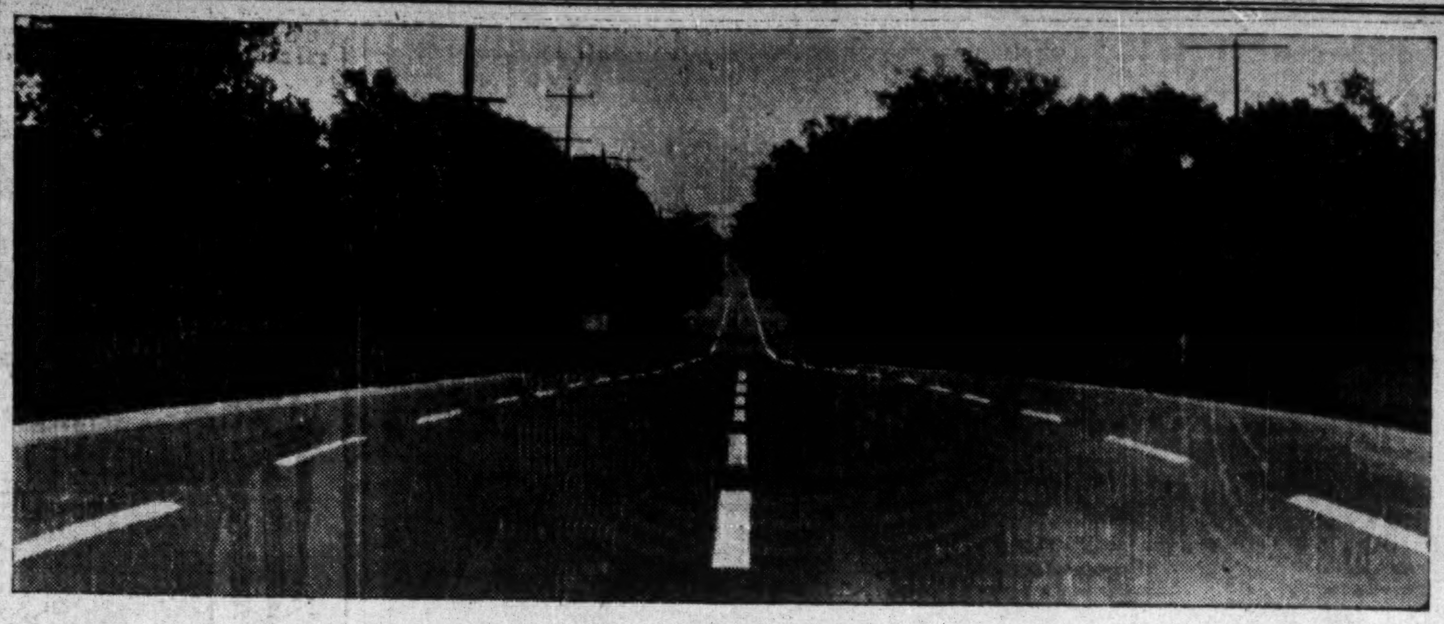
* * *

In Construction Van

WHILE total Canadian construction this year has been lagging slightly behind the corresponding period in 1935, in one significant respect the record to date has been much more satisfactory. From 1932 to 1935 government sponsored projects made up a very large proportion of total building. Now the picture has changed with privately financed construction leading for the first time since the depression. Moreover the total of this privately financed exceeds, so far this season, the total of the same kind for the whole of 1935, as well as for the 3 preceding years.

This is in direct contrast to the trend still prevailing in the United States. There the construction industry is still largely dependent on a benevolent Washington for at least two-thirds of its activity. In American heavy engineering construction for the first 5 months of 1936, for instance, actually 75 per cent of the $937 millions expended was provided from government sources.

In Canada, on the other hand, it is beginning to look as if the big machine is now able to operate largely under its own power.



DOUBLING CAPACITY AT LOW COST

Adding a fourth traffic lane on all curves and hills and separating these by bright strips of paint has materially increased the carrying capacity of Ontario No. 11 highway. On the straight stretches ordinary traffic keeps to the extreme right with the middle lane for passing. The additional lane in the low visibility spots permits this passing to be continued with safety on the curves and slopes.

See Future Highways Segregating Traffic

Will Provide Scenic, Fast and Truck Routes

MISS MAIN CENTRES

Predicting the future in any sort of industry is liable to prove rather a dangerous pastime but highway engineers seem to agree that the main roads of the future will be largely specialized affairs.

No longer will cumbersome trucks and sleek fast moving passenger cars be allowed to get in each others way. Indeed this primary separation is considered only a first step and the next generation or so will witness two types of passenger car roads established, one for the man who has some definite and hurried objective in mind and the other for the chap who wants to see the scenery.

First completion of such an ambitious plan in Canada will probably take place in the same district where the first hard surface highway was constructed just 21 years ago this summer, the 40 mile stretch between Toronto and Hamilton. Here are two fairly large centres of population with much traffic between. In addition there is scenery and some other highways leading off at right angles. There is heavy tourist traffic from the United States boundary at Niagara Falls. Nearly all contingencies of highway construction having to be taken into consideration, the area provides a road experiment of worthwhile proportions.

Meandering along the lake front and continuing through Hamilton to Niagara Falls and the International boundary will probably be the slower scenic route for passenger cars only. Farther back, and more direct will be the through road for the motorist in a hurry. In between another heavier and straight road will be reserved for trucks only.

Some of the construction has already been started. In other cases improvements may be made to existing roads. The original Toronto-Hamilton highway, now in its 21st year will be largely reconstructed. Eventually all of these would probably be four lane affairs.

Scenic Routes

Scenic routes would be provided with a decorative boulevard down the centre and would be lined with trees. There would be fairly easy curves and slopes. Facilities might be provided for parking and picnicking.

If such a road were continued into the more open parts of the country, camping sites would probably be supplied just as they are along the scenic routes in the north. In thickly populated districts these scenic roads will probably have a light concrete base and be topped with asphalt. Beyond the heavily travelled area, however, other surfaces might be used down to ordinary gravel and clay held together with a binder of salt, oil or asphalt emulsion. These binders, of course, also keep down the dust.

No Speedways Planned

Fast passenger highways would be plainer and straighter. Curves would be reduced to a point where the motorist could take them without slowing down. Indeed he might not be permitted to slow down. There is no intention, The Financial Post is informed, of building so-called speedways, however, but simply to provide a road where a constant speed of say 35 to 45 miles an hour can be maintained with safety. Cutting down of hills to railway grade maximums and the practical elimination of sharp curves will accomplish most of this objective. To complete it provision will have to be made for intersections.

When two main highways come together, and traffic warrants the expenditure then the highway "cloverleaf" will be introduced.

To the uninitiated this appears to be a rather complicated system of road junctions, bridges and subways where the motorists wishing to make a turn can do so without interfering with any other traffic.

Just before coming to his turn, he may veer off on a wide circle to the right, swing completely around, and then via bridge or subway cross his original route. There would be no stopping and highway officials confidently predict that a driver need only use his eyes to come through safely.

Freight Roads Plain

On this through passenger highway, again the four lane idea is favored with a boulevard of probably grass and low shrubs down the centre.

The freight highways, apparently are to be drab, practical affairs. Bases will be of the heaviest concrete with the top surfacing equally substantial. There will be a boulevard to separate the two main lines of traffic but instead of trees and shrubs, something stouter and more practical will be used to keep the big juggernauts in their proper place. Naturally such roads will take the shortest possible route consistent with easy grades.

Miss Towns

Only one of these three highways of the future, the scenic one, it is believed, will be welcomed by the small towns and villages. When the new hard surface roads were first being built in Canada, every little municipality sent a deputation to the provincial authorities asking to have their home town placed on the road map. Had the builders heeded all supplications the highways would have rivalled those first cow blazed trails of the pioneers. Even such heeding as was given, produced many a mile-eating detour.

As traffic developed, however, with its continual roar, congestion and inevitable accidents, deputations faded away. Today there is a distinct inclination to wish main highways on the outskirts of large centres and have them miss the little towns and villages entirely. Motorists will have no trouble turning off when they wish to visit a particular place while the municipal authorities will be saved the worry of trying to balance heavy maintenance charges against a relatively small revenue from the sale of gas, pop and hot dogs to transient travellers.

Houses Lose Out To New Trailers

A market for at least 20,000 houses has been lost permanently in the States, it is estimated, as the result of approximately 100,000 persons having given up permanent homes to live in automobile trailers. In such affairs, apparently, these meandering families live throughout the whole year touring northern roads during the summer and moving to Florida, California, or some other warm clime when autumn frosts begin to appear.

During the 1936 tourist season alone, it is expected that nearly a million Americans will be leading the lives of gypsies. Trailer manufacturers are helping the trend along with radically improved and compact new sleeping models.

This rough survey, of course, does not include that considerable block of unfortunates living in box cars, barns and under hedges.

Propose Scrip Financing For Alberta Housing

The Alberta government, it is understood, is considering some plan whereby the long standing housing shortage in Lethbridge may be relieved. Approximately 200 modern residences are planned. It is hoped that the federal government will finance raw materials, while the Alberta government would put up Social Credit scrip to pay for labor. This scrip will be redeemable in 30 days. It is hoped to get the plans in operation not later than July.

The new homes will be sold to residents of the city under a rental arrangement. No more than one or one and a quarter per cent interest charge would be levied. If the scheme proves successful, it is expected it will be extended to other parts of the province, but as yet there is no indication that the very necessary federal assistance will be forthcoming.

Funds Scanty For Bettering B. C. Highways

But Much Money is Expended on Tourist Publicity

WORK IS DELAYED

From Our Own Correspondent

VANCOUVER.—Like a good many other public matters in British Columbia these days, the extent of road building depends a good deal on the amount of financial assistance that is forthcoming from Ottawa.

Although it had been hoped to be well under way with a programme of highway development by midsummer, the situation has not yet been clarified, and while a great variety of projects have been talked about, officially and otherwise, the province is still without a definite policy and it begins to look as though it will continue without one for several months to come.

Cry Insistent

From all sections of British Columbia, for years, has come the cry for better roads, and today the appeal is louder and more persistent than ever; but funds, which are more important than asphalt, are not available, and so the clamor has fallen on helpless ears.

The curse of the road programme in British Columbia for several years has been political expediency. Instead of embarking on a definite policy to give the province a good, permanent network of highways to connect all the important centres of population, large sums have been spent on small and relatively unimportant district roads. This practice has made many a politician "solid" with the folks in his home constituency, but it has delayed from year to year the realization of one of B.C.'s greatest needs.

Travel via U. S. Roads

The result of this devotion to political considerations rather than to the needs of the province as a whole has been that motorists driving from Vancouver to points in the Okanagan, for instance, almost invariably travel by way of American roads to as great an extent as possible. They use the Washington state roads, which are wide and well paved all the way, rather than risk tire trouble on the rough, rutted roads that are the traveller's only all-Canadian route from the coast to the interior.

There has been talk of building a first-class highway between the coast and Okanagan and Kootenay points for generations but apart from sectional repairs which add little to the improvement of the road system as a whole the hopes are no nearer fulfillment now than they were a decade ago.

Had the province spent a fraction of the sum poured into the Pacific Great Eastern Railway, which has cost upward of $70 millions, on the development of highways instead, this province's road system might be more favorably comparable with the communications provided in adjacent states. But that, of course, is another and very sad story.

Sold on Tourists

One of the strange anomalies of the road situation in British Columbia is the fact that while the province is apparently thoroughly "sold" on the value of the tourist traffic and spends large sums annually on publicity and advertising designed to attract travel from all sections of the continent, the most important factor of all, so far as modern-day tourist traffic is concerned, is neglected.

If a loop highway from the coast to the interior was built, the scenic and other attractions of the region would undoubtedly result in diverting to British Columbia a million-dollar flow of travel that is now concentrated in Washington., Oregon and a comparatively restricted zone in the lower mainland of British Columbia and on Vancouver Island.

The federal government is worknig on completion of the Big Bend Highway, an important link in the Trans-Canada Highway between Donald and Revelstoke. Donald is connected with the Okanagan and Revelstoke with Alberta, but the intervening gap requires considerable construction and it is doubtful whether it will be closed this year.

Improved Trails

Thousands of unemployed men have been taken out of the relief camps in British Columbia and put to work on mining trails, park roads and highway improvements, but little of this represents new construction. The understanding last month was that Ottawa would appropriate $300,000 for road and trail improvement in British Columbia, and that $150,000 would be advanced by British Columbia, but details of this undertaking have not been announced. It was hoped that about 2,000 men would be absorbed from the camps by the end of June.

Common Salt Found Useful Making Roads

Keeps Down Dust and Forms Valuable Clay-Gravel Binder

STARTED IN N. S.

Centuries ago pottery manufacturers became familiar with the fact that small additions of common salt to clay improved the latter's drying properties. Salt glazing at high temperatures is a very ancient practice. That the reaction between salt and clay might have useful applications in other fields seems, however, to have been overlooked during all the centuries and the process fully understood by ancient peoples has only recently been given modern development.

Nova Scotian Started It

First to extend the salt-clay principle to other fields and prove the additional usefulness of this ancient principle was a Canadian, A. R. Chambers, of New Glasgow, N.S. in 1927.

Action of the salt is on the clay portion of the compound. The clay acts as a binder for the coarse aggregate, while the salt controls the usual action of clay over cycles of wetting and drying. Water is added during construction to make the clay plastic, to ensure compaction, and to provide, in part, a moisture bond which adds to the cementing powers of the clay. It has to be properly proportioned and manipulated, but when this is done, the materials will set up in a firm dense mass—a mass that will turn water without rutting, and be solid and dustless when dried out.

Low Cost Roads

By topping roads with this new type of pavement, definite and substantial savings can be made in highway construction, for the materials used, — gravel or crushed stone, sand and clay, — are to be found in practically all localities. Properly blended and compounded with salt, thoroughly mixed, spread on the roadway, dampened and rolled into place, these materials are being used successfully to meet the need for low cost, all-weather roads. Only the ordinary type of road building equipment is necessary to handle this construction.

Ontario Experiment

Last summer, several stretches of salt highway were built in northern Ontario. During construction and after completion, such a road in the Port Carling area was subject to considerable heavy truck traffic, particularly during the wet fall months. It had a good chance to become well consolidated before being snow covered. This road was ploughed (for snow) during the winter months and carried a fair amount of traffic. The winter was quite severe, but the road came through in excellent shape. Very little maintenance was required to smooth out any light ruts caused by early spring traffic. The only section that gave any trouble was a length of 350 ft. where the drainage was poor, resulting in the whole section softening up.

Cost of these new salt highways, of course, will vary widely with local conditions. Only the cheapest sort of salt is used, but on account of freight rates it is generally agreed it could not be carried more than possibly a thousand miles

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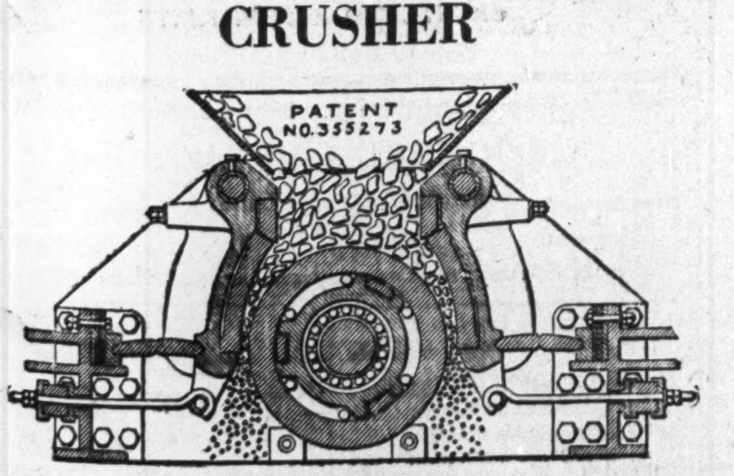

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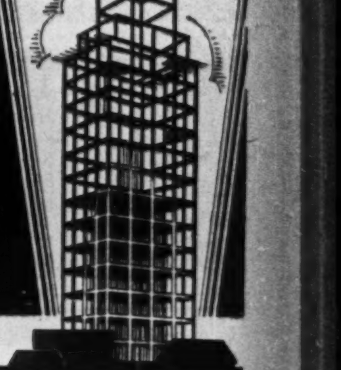

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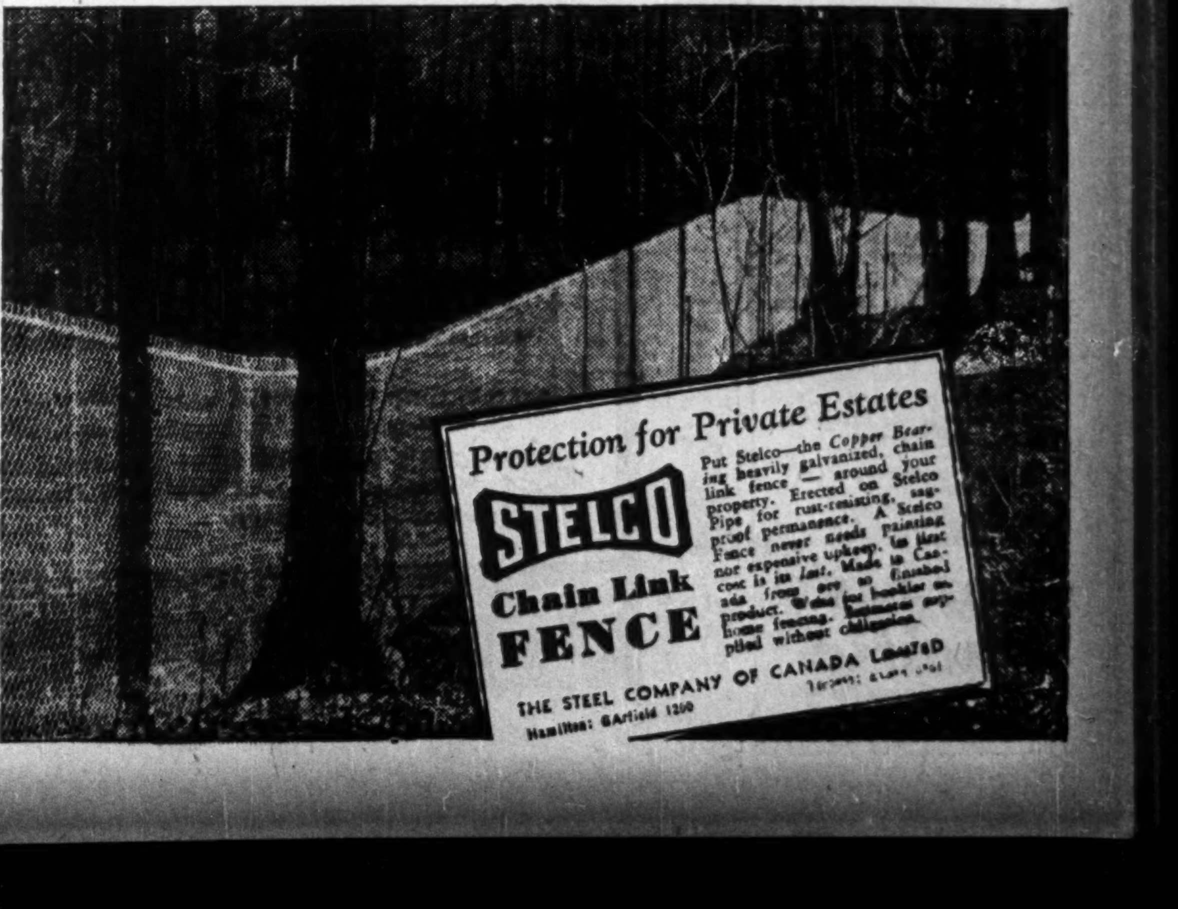

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Proxy Battle On to Control Can. Wineries

Directors Back Management — Circularize Shareholders

HOT FIGHT PENDING

Battle for the control of Canadian Wineries will be decided at the annual meeting to be held about July 10.

W. B. Milner of Milner, Ross and Company, W. D. Ross and associates, are seeking proxies to oust the present board. Financial statement for year ended April 30, 1936, has not yet been sent out but Mr. Ross tells shareholders in a letter dated June 22 that he is convinced it will show the company "steadily losing ground." He predicts disaster if policies are not changed.

According to a letter to shareholders, on behalf of the company by F. W. Lee, president, and Kenneth F. Mackenzie, secretary, Mr. Milner and Mr. Ross intend to replace the present board with "their unknown nominees," if they can get enough proxies.

The objective of Mr. Milner and associates, according to the Lee letter, is to sell the business. This Mr. Ross denies. Mr. Lee points out that under the Dominion Companies Act, the board has power to dispose of the undertaking without reference to shareholders. The suggestion apparently is that those seeking control of the shares have discussed selling out. Mr. Lee says present board would not sell out.

Behind the Management

F. W. Lee states the 6 directors of the company, other than Mr. Milner, are solidly behind the management. They regard as essential to the company's success at the present time the retention of K. H. Smith as managing director, a position he has held since 1929. They assert it would be impossible for Mr. Smith to continue as manager if Mr. Milner gains control. Mr. Lee states that he himself, with his family and associates, holds 2,300 shares. He wants to protect and improve his investment with the company.

The directors who would be replaced by nominees of Mr. Milner and associates, if Mr. Lee's interpretation of their plans are correct, are;

"Dr. H. G. Acres, formerly chief hydraulic engineer of the Hydro-Electric Power Commission, and now a consultant engineer in private practice;

T. A. Chisholm, now retired from the service of The Canadian Bank of Commerce, where he was for many years manager of the market branch, Toronto;

F. W. Lee, president, formerly the president and principal owner of Dominion Winegrowers, one of the constituent units;

K. F. Mackenzie, K.C., of Mackenzie & Saunderson, barristers and solicitors, Toronto;

Hon. Victor Marchand, of Montreal, a member of the Legislative Council of Quebec and president of Melchers Distilleries;

K. H. Smith, managing director.

Mr. Ross states in his letter that all the directors other than Mr. Milner do not hold more than 4,505 shares out of 114,000 shares issued.

A shareholders' committee has been formed in Hamilton. Letters, signed by E. P. Muntz, are supporting the management against the contentions of Mr. Milner and Mr. Ross. Under recent date Mr. Muntz sent a letter to shareholders advancing the idea that in organizing the company in 1928, Mr. Milner's company had received 95,710 shares at a cost of $17 a share. These were sold to the public at $22 a share. The letter states Mr. Milner's company might have also been recompensed by the sale of the constituent companies to Canadian Wineries.

Mr. Milner and associates were interested in the sale of 13,000 shares of which a block of 5,000 shares is understood to have been sold to W. D. Ross. These 13,000 shares form part of the option which Mr. Milner and associates obtained to finance the Lewiston plant. In this they were not successful.

The company also helped Mr. Milner by occupying part of his offices. Later the company occupied offices in the Northern Ontario Building. The president of this company is W. D. Ross, whose son is one of the partners in Milner, Ross and Co.

Much Water Injected

Mr. Muntz states that the Sterling Appraisal Company's statement of Mar. 17, 1928 shows the replacement value of lands, buildings and equipment at $423,786. George H. Touche and Company's consolidated balance sheet of Dec. 31, 1927 and addressed to Mr. Milner's company on April 24, 1928, 12 days after Mr. Milner was elected director, shows $300,611 for lands, buildings, machinery and equipment, $250,000 for licenses, formulae and $428,911 net current assets, or a total of $919,632, but the $22 a share price on 100,000 shares offered to the public valued the stock at more than $2,000,000.

The contention of Mr. Muntz, evidently is that the Milner Company sold more than $2 millions of common stock on the basis of a net physical value of $750,000.

At the time that K. H. Smith took over, the product of the company was in rather bad repute with Ontario Liquor Control Board. In the meantime, the company's plant has been entirely rehabilitated and modernized, and the product steadily improved.

Some months ago, Mr. Smith had the office of the company moved from the Northern Ontario Building to occupy unused floor space in the Parkdale plant of National Wines, one of the subsidiaries. This saved money for the company, it is claimed, but the move has been criticized.

On the other hand Mr. Ross states that he has for some time past been trying to get definite information about the company's operating results, but unsuccessfully. Mr. Ross says that "the thought of selling out has never been considered." He adds, "It would prove difficult to find a purchaser for the assets of a company unless it can show some earning power."

He concludes that the shareholders should refrain from giving proxies to the present board and says he will communicate with them again after the balance sheet is ready. The financial statement admittedly will show earnings down. Dividend was stopped in 1935 to devote cash to paying off bank loans. United States venture has not yet come out of the red, though its products are being sold in greater volume and the company management has hope that it will prove eventually a good earning subsidiary.

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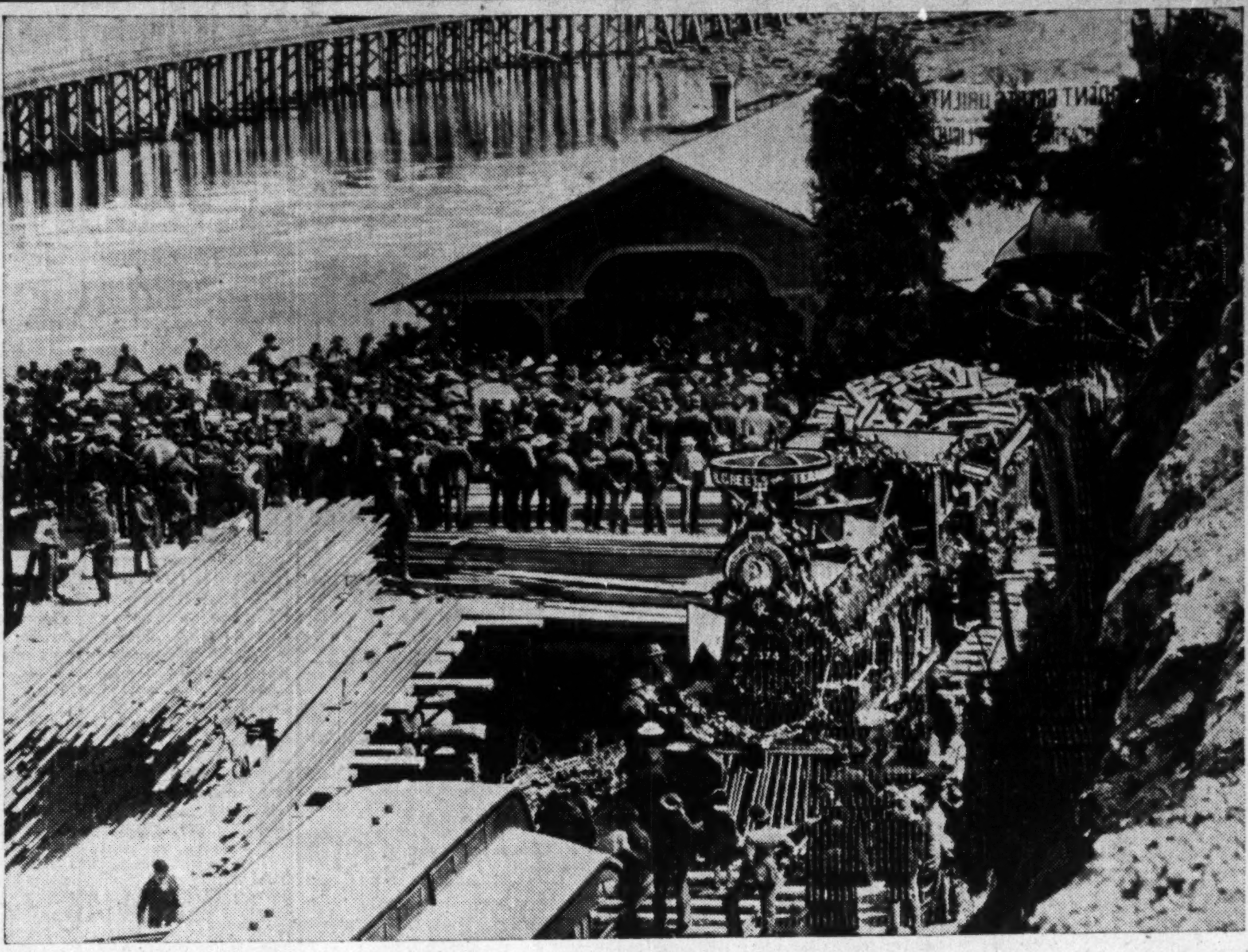

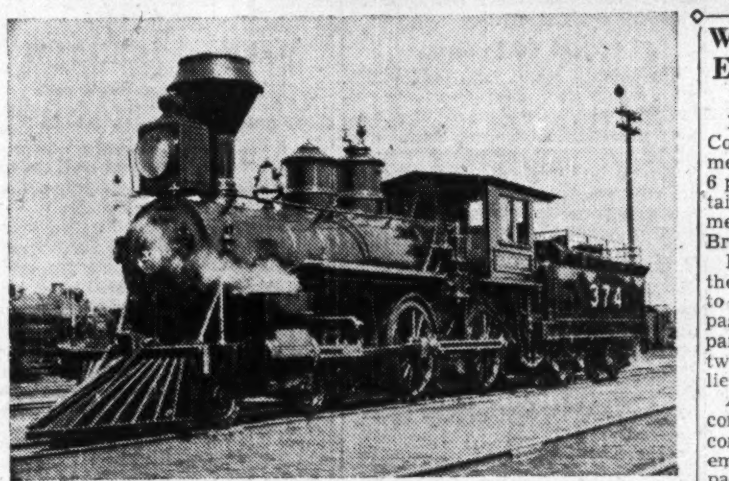

TRIP OF '86 RE-ENACTED

"Old 374" will puff her way into Port Moody, B.C., on July 3, her throttle held by the same engineer, and in charge of the same conductor who piloted the first "374" into the C. P. R.'s Pacific Coast terminal exactly 50 years ago.

Railway history was made when wood-burning Locomotive No. 374 with her long-nosed pilot, diamond shaped smoke-stack and cordwood filled tender completed the first transcontinental passenger run from Montreal to Port Moody in 1886. The train left Montreal June 28, 1886 and 136 hours later arrived in triumph at the then western statutory C. P. R. terminus after a 3,000-mile trip.

Exactly 50 years later, the historic run of the first through passenger train on Canadian soil will be re-enacted with a new "374," shown above. The locomotive, built in Weston shops, Winnipeg, and now on its way west, is an exact counterpart of her forebear, and after arrival at Port Moody, will proceed to Vancouver to figure prominently in the Jubilee celebration of that city during the summer. Above is a picture taken at the time of the first train's arrival in Vancouver half a century ago.

At the throttle of "374" will be W. H. (Billy) Evans, of Vancouver, who was engineer of the original locomotive, and aboard also will be P. A. Barnhart of Kamloops who was conductor on the eventful run of a half century ago.

And roaring along C. P. R. tracks on June 28 will also be the modern version of the old pioneer when No. 1 will start on its regular trip from Montreal at 7.20 a.m. The anniversary train will be given a send-off reminiscent of the day in 1886 when its predecessor commenced its 6-day trip and along the route the modern train will be specially welcomed in commemoration of 50 years of Canadian railway progress.

At Port Moody an even more impressive welcome awaits the reconstructed "374" of 1886. It will be far different from the prosaic atmosphere with which C. P. R. officials surrounded the start of the run 50 years ago.

At that time Sir George Stephen, W. C. Van Horne, T. G. Shaughnessy and other officials had planned a workaday, unceremonious inauguration of the service. Instead, the significance of the trip caught the fancy of Montrealers of that day and they flocked to the station to bid "374" bon voyage.

From Montreal "374" pulled its cars to Carleton Junction in the pioneer transcontinental run of 1886. There it met a train from Toronto and the two trains were consolidated, "374" operating as a single train of 13 cars when it pulled into Ottawa and on to the west.

History will live again when the wood and metal ghost of "Old 374" pulls again into Port Moody on July 3.

Winnipeg Electric Co. Enters Into New Wage Pact

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. has entered into a wage agreement providing for an increase of 6 per cent as from May last for certain of its employees who are members of the International Brotherhood of Electrical Workers.

For some years past wages of these employees have been subject to a cut of 15 per cent. During the past year or two, however, the company has granted these employees two weeks' holidays with pay in lieu of a wage increase.

As the new agreement did not come into effect until May 1, the company has agreed to allow these employees one week's holiday with pay for this year.

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Winnipeg—Central Manitoba.
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Dominion Day

Next Wednesday we celebrate the anniversary of Confederation ... You'll hear some people say they'd like to have lived before Confederation or right after it instead of now ... Well, maybe the present isn't perfect ... Maybe life was simpler and better in the past ... But I find life very liveable today provided nothing interferes with my supply of Bachelors ... After all, life is what we make it and I make mine enjoyable when I smoke a Bachelor Cigar.

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THE FINANCIAL POST

SECOND SECTION

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Windsor City Takes Action Against Bank

Dispute Right of "Set-off" Exercised by the Imperial Bank

FIGHT OVER MONEY

The city of Windsor has taken action against the Imperial Bank for $296,770, the amount "set-off" by the bank against advances owed by the former municipality of Sandwich. A writ has been served after several months of unsuccessful negotiations between the two parties.

At the end of 1935, $399,616 was carried in the bank's books, representing the balance of advances made to the former town of Sandwich, now merged with the city of Windsor, in 1930 and 1931. Of this amount, about $248,000 was owed on ordinary account, and the rest for local improvements.

Originally the loans totalled more than $500,000 and had been made pending sale of a debenture issue. Tax collections in 1930 and 1931 were also to be applied against the advances. However, up to this year, only a relatively small proportion had actually been paid off.

Deposit Appropriated

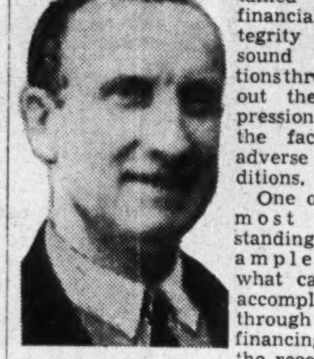
As a result, the bank appropriated a balance of $296,769 deposited by the former municipality and applied it against the outstanding loan. Funds on deposit by the hydro and water commissions of the former municipality were not taken, and were withdrawn by the city.

The bank contends that this "set-off" is the customary right of debtor-creditor relationships.

J. Clark Keith, Windsor finance comptroller, points out that the bank balance would have been applied against the accrued interest owing Sandwich bondholders. It is the intention, he states, to spend the accrued surpluses of the four municipalities merged in Windsor in this way. The bank's action has blocked the plan as far as Sandwich is concerned. Until the present dispute is settled, it is stated, it will be necessary to postpone the city's refunding scheme in regard to interest payments on debentures of the former town.

The Town That Wouldn't Stay Broke

Mayor Tells Bond Dealers How Grand Forks, B.C., Recovered From the Verge of Bankruptcy Through Practising Economy



T. A. LOVE

While municipal defaults have been widespread and municipal finances generally in a rather deplorable condition, numerous Canadian municipalities have maintained their financial integrity and sound positions throughout the depression in the face of adverse conditions.

One of the most outstanding examples of what can be accomplished through "sane financing" is the record of the town of Grand Forks, B. C., a mining and agricultural centre of 1,300 population, located in Kettle Valley near the international border, 375 miles east of Vancouver.

In one of the most interesting addresses delivered before the Investment Dealers Association of Canada in convention at Jasper Park, Alta., T. A. Love, who has been mayor of Grand Forks for 10 years and a member of the city council for 15 drew attention to the town's record, which is perhaps the most remarkable in Canada. He told "the story of the Grand Forks, that went broke, but refused to admit it, and which within 10 years rose to financial distinction without hinting at repudiation, without suggesting refunding and without government assistance of any kind; a small town that saw its taxes shoot down and its bonds up, its debenture debt reduced and its assets increased; the one Canadian municipality where its citizens bought all outstanding bonds."

In view of the condition of municipal finances throughout Canada and the widespread proposals for compulsory reduction of interest on municipal debentures, the record of Grand Forks is refreshing to say the least. It is one which might well be studied by municipal officials throughout Canada as it is a striking demonstration of what can be accomplished by orthodox methods even in the face of adverse conditions.

Economy The By-Word

In restoring its finances to a sound basis, Grand Forks, in the words of its mayor, "did not use any phoney money or any of the short-cuts, but used the old, reliable, steady-but-sure method of practising economy, living within its income and paying every man his just dues."

Into Difficulties in 1919

Here is what he told the convention, in part:

"It was back in 1919 that Grand Forks struck the financial boulders, and had our bondholders sought their money on due date, the city would have been technically broke; that is, we did not have enough money to pay maturing bonds and were not in a position to borrow sufficient money to tide us over. We had been seeking the necessary legislation to make it possible to refund some bonds in order to cover shortage in the sinking fund and to meet two maturing issues. We did not know who the bondholders were, and were thus not in a position to negotiate with them. But, happily for us, the bondholders did not send the maturing debentures through the bank for payment until several months after due date, and by that time we had made provision for them and they were paid promptly.

"To cover the shortage in sinking fund it was necessary to reissue $55,000 of 7 per cent debentures. The rate in itself was rather hard medicine, but when we sent our city treasurer to Vancouver, Toronto and Montreal with these bonds we could get no takers at any figure. There was a suggestion in Toronto of handling them on a basis of 60 on the dollar, but that, of course, was repugnant and our city treasurer returned.

"After calling our businessmen into conference, we decided to try and sell our bonds to our own citizens. The effort proved a success, and all the bonds were sold.

"At that time The Financial Post of Toronto stated that it was the first time to its knowledge that bonds had been sold in Canada 'over the counter.' Many of the residents of the town became debenture holders for the first time. It is interesting to note that a block of these bonds appraised at 60 in 1919, actually changed hands at 112 in Toronto 10 years later. Thus, the despised bond in 1919 became an aristocrat in 1929.

Bonds Sold Over the Counter

"And just to show that the appetite for Grand Forks bonds at home has not been waning, I might tell you that in 1932 we issued $45,000 of power plant bonds at 6½ and they were all taken up by our citizens at par in a single day. We believe this constitutes a record for speed in selling bonds over the counter. In fact it was a thorough innovation in many ways. While the bonds carried high interest, there was the satisfaction that the money was being paid back to our own taxpayers and kept in the community. A further issue of $10,000 the following year was also taken up locally in a few hours.

"Incidentally, all outstanding bonds of Grand Forks have been sold locally 'over the counter,' which, perhaps, is also a record.

"Bearing in mind that the refunding of $55,000 of bonds in 1919, sold at 92, became an unproductive load, the progress of civic financing at Grand Forks for the next 10 years, to 1929, is particularly interesting.

"We might easily, with justification, have followed the lead of the governments and raised the ante by adding a couple of cents a pound to the price of sugar, or of tacking on a penny to a 50-cent lunch. But, instead, we did what I call 'sane financing;' we practised economy and actually lowered our taxes and cut the price of water and light. At the present time we are in the happy position of furnishing these household necessities at probably the lowest rate in British Columbia.

Deficits Turned Into Surplus

"It is worthy of note that the deficits of the town had been incurred when there was an industrial payroll of $125,000 monthly from a large smelter employing several hundred men and from smaller concerns. These had virtually all disappeared during the 10-year period referred to and the council faced the fact of a constantly shrinking mill levy.

"How were these results obtained? Simply by rigid economy and care in administration. What had previously been deficits or nominal surpluses were changed to a surplus of $21,000 the first year. The water system, that had been the source of constant expense, was made a revenue producer by installation of a gravity system of water and by amalgamation with the light department.

Taxes Reduced

"I have stated that we lowered the taxes during that ten-year period. The fact is that we lowered taxes, other than for school purposes, by more than 50 per cent. That seems a striking statement but I had our city treasurer prepare a memorandum dealing with the matter which I have with me. It shows that on 10 of the principal business blocks of the town the reduction during that period averaged 53½ per cent, and on 10 widely separated properties the average reduction was almost 52 per cent. The actual levy over the entire town was reduced 52 per cent during the period. We are considering a further reduction in assessment value for 1937.

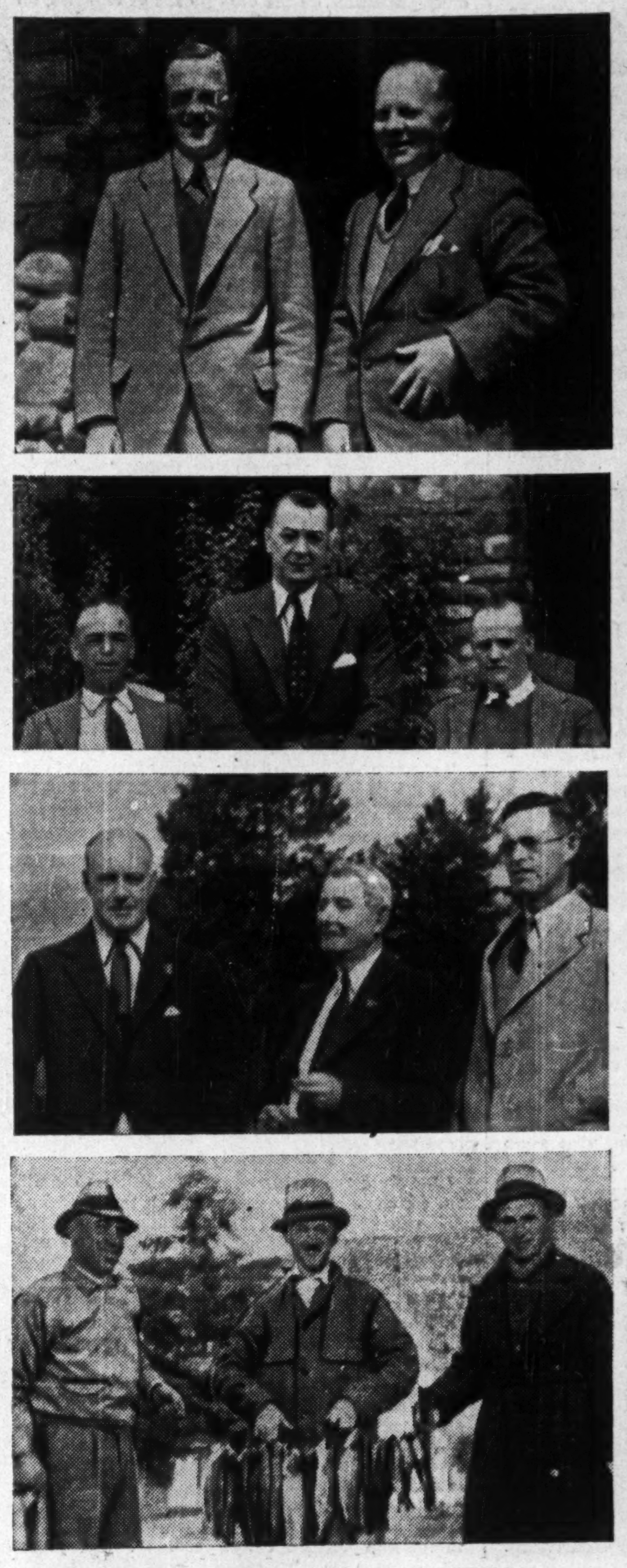
"Does this prove 'sane financing?'

"During the same period, 1919 to 1929, the debenture debt of the city was reduced 40 per cent, so that it cannot be charged that we are robbing Peter to pay Paul in any way. And added to this is the fact that surplus assets increased 47½ per cent.

Owns Hydro-Electric Plant

"It was during this period that the wholesale price of the electric current to the city was advanced by 250 per cent. When the utility company supplying the current sought to raise the price still higher, to the 300 per cent level, it broke the 'camel's back.' We went to the mat. Took the matter from one court to another, obtained new legislation, and finally won a 33 1/3 per cent reduction. This was not satisfactory, however, and we decided to install our own hydro-electric plant. We constructed the plant in spite of the sternest opposition of the government and utility interests; when the government refused to give authority for debentures, our citizens came through with the necessary cash, being given nothing but receipts for money. That was all we were permitted to give. And when the contractors completed their job and were leaving town, the plant was entirely paid. May I ask you, is that 'sane financing'? Do you know of another instance where the contractor of such a large project was paid in full the minute the job was completed?

"This hydro plant operated continuously for eighteen months without the slightest break in the supply. Now the city has available three times as much 'juice' at a total cost of less than half previously paid. Our people in their homes now buy 'juice' as low as one cent per kw. hour, where the minimum rate had previously been five cents. Taking some typical cases, the reduction to the consumer of electricity has been around 40 to 45 per cent."



AT INVESTMENT DEALERS' CONVENTION

The Financial Post's candid camera was brought into play when the Investment Dealers of Canada held their annual convention at Jasper Park, Alberta.

From top to bottom are:

First row: J. E. Savard (left), of Montreal, retiring president, and R. D. Baker, Winnipeg, manager of James Richardson & Sons, new president.

Second row: F. J. Brennan, of Irving, Brennan & Co., Saint John, N.B., vice-president of the Maritime district; J. C. Kaufmann, of Iselin Corp. of Canada, Montreal, Que., and W. T. K. Collier, of Collier, Norris & Henderson, Montreal, vice-president of the Eastern district.

Third row: J. C. Hope, of Dominion Securities Corp., Toronto; J. A. Thompson, of the same company from Winnipeg; and D. M. Gowdy, business manager of The Financial Post.

Fourth row: These beauties didn't get away from T. H. Atkinson, Royal Bank of Canada, Montreal; A. J. Milner, Mills, Spence & Co., Toronto; and W. C. Harris, of Harris, Ramsay & Co., Toronto.

Manitoba Asks Lower Interest On Borrowings

Record Entitles It to Lower Rate, Treasurer Claims

MACPHERSON SPEAKS

While taking a definite stand against repudiation, Hon. E. A. MacPherson, provincial treasurer of Manitoba, in addressing the annual convention of the Investment Dealers Association at Jasper Park, Alta., expressed the opinion that on its record Manitoba is entitled to a lower rate of interest on borrowed money.

In support of his contention, Mr. MacPherson stated that in his opinion Manitoba has since the year 1932 done more proportionately to reduce controllable expenditures than any other province of Canada or the Dominion itself. This, he claimed, should obtain a lower rate of interest for the province on new borrowings since he had been repeatedly told by the investment dealers that the cost of money to a province depended on its administration and a balanced budget.

Cites Budget Experience

In citing the budget experience of Manitoba, as compared with New Brunswick and Nova Scotia, he pointed out that Manitoba, in the year ended April 30, 1933, 9 months after the present government was elected, the deficit amounted to $1.9 million. By additional taxation and the continued policy of reduction of controllable expenditures this was reduced to $36,000 in 1934 and in 1935 it was turned into a surplus of $159,000.

New Brunswick, on the other hand, for the fiscal year ended Oct. 31, 1933, had a deficit of $429,000. In 1934 the deficit increased to $876,000 and in 1935 it was $703,000.

Nova Scotia in 1933 had a deficit of $1.6 million. In 1934 this was reduced to $1.2 million and in 1935 it amounted to $897,000.

During this period, Nova Scotia and New Brunswick obtained new loans at a substantially lower rate than did Manitoba and the bonds of these provinces are selling at prices yielding a lower return to the investor.

In urging the bond dealers to acquaint their clients of the facts and to deal with their securities from an individual standpoint and not by groups, the provincial treasurer stated further that in order to assure that investment should continue to be absolutely secure "the cost of money must come down and I would suggest that it is in your power to assist very materially in achieving that result. I am often accused of being too orthodox in my view of public finance. I do admit that I still think debts should be paid in full if possible and I have not yet seen a plan which I consider would allow us to fulfill our obligations and continue our services. The government, which I represent, also holds the same opinion, but on the other hand it also believes that the welfare of its citizens has to come first, and must receive first consideration. The fulfilment of both these obligations is its earnest endeavor and to succeed in attaining that end I am asking your active assistance."

Newsprint

Favorable Indices Make Outlook Promising

From Our Own Correspondent

MONTREAL. — Pertinent facts bearing on the record activities of the Canadian newsprint industry are set out in the following table, which shows production this year to date, mill and publishers' stocks; advertising linage which influences the demand for Canadian paper in the States and consumpton of the leading American newspaper publishers:

(All figures for first five months)

Production

(tons)

	1936	Gain over 1935
Canada	1,217,833	+15.65%
United States	380,308	— 0.4
Newfoundland	126,534	— 7.7
Mexico	171	
North America	1,724,846	+ 9.2

U. S. Advertising

1936—551,656,953 lines .... + 8.2

U. S. Consumption

(434 papers)

1936—1,185,506 tons .... + 3.3

U. S. Publishers' Stocks

May 31—236,323 tons .... 4 days less

Mill Stocks

(Canada and United States)

May 31—82,146 tons .... +18

Investing for the Next Five Years

How Non-Callable, Participating, Convertible Preferreds Protect

Attract Investor Seeking Safety of Present Income and Others Wanting Share in Future Gains

The investor who looks mainly to security and who distrusts the art of the soothsayer, should pay considerable attention to the diminishing number of non-callable preferred shares available on the market.

If he wishes to have a security with present safety but which has possibilities of greater income in the future as well he will find still available preferred stocks with good records for dividend payment and with participating features which will give the shareholders a chance of sharing in growing profits if his company is fortunate.

Preferred stocks which are convertible into common stock give the investor a valuable opportunity to "suspend judgment" until the sky clears. Thus his preferred stock pays him 5, 6, or 7 per cent as the case may be as long as the company makes large enough profits, but if later on it earns enough to pay a larger equivalent amount on the common stock than he is getting on the preferred stock, then he can change over to the junior security. This particular kind of security enables the investor to wait until he can see which way the earnings cat is going to jump. And he does not need to act unless the conditions are favorable or unless the stock is called. The "call" feature of some of the preferred stocks discussed in this article undoubtedly lessens their attractiveness to some degree and holds down the price of those which would otherwise be most attractive.

* * *

Non-Callables

For those desiring a preferred security which cannot be called this article discusses the situation for Belding-Corticelli 7's, Canadian Cottons non-cumulative 7's, Canadian Industries 7's, Dominion Textiles 7's, Canadian Oil Companies 8's, National Breweries 7's, Ogilvie Flour Mills 7's, Penman's 6's, The Robert Simpson Co. 6's and Tuckett Tobacco Co. 7's. The point for the investor to remember is that the present high price levels of these non-callables are the result of low interest rates. If interest rates go up, these values would come down. In the meantime the protection from call is of great value.

Canadian Cottons

Canadian Cottons 6 per cent non-cumulative preferred stock is selling around par even though in the year ended March 31, 1936, it earned only $5.36 a share and in the preceding year $4.15 a share. It also paid $4 a share in both years on common though nothing was earned.

Recent tax and tariff changes, and uncertainty as to competition from Great Britain and Japan, make earnings in the current year a matter of considerable difficulty to foresee. The explanation for paying par under these handicaps is that investors value a non-callable stock which has liquid assets greater than the total $3.7 millions of 6 per cent preferred stock outstanding. The stock seems even more interesting to them because $2 millions of 5 per cent bonds were redeemed in July, 1935.

Yet only in the year ended March 31, 1934, did the company earn well above its dividend during the depression. However, investors note that the company has built up very large reserves for depreciation and obsolescence. It only needs $219,690 for the preferred dividend and it deducted $800,000 from 1935 net earnings for bad debts and depreciation. The fixed assets are already 67 per cent depreciated.

Canadian Industries

As for Canadian Industries 7 per cent non-callable preferred—try and get it below 167. The yield is on the basis of about 4½ per cent because the dividend is regarded as being as sure as bond interest. The equity is highly protected by liquid assets and the company is steadily improving its position in a remarkable manner.

Dominion Textiles

Dominion Textile Company's non-callable 7 per cent preferred sells on a 4.8 per cent basis because the company has always paid and earned that dividend, generally many times over. Even tariff and trade uncertainty in textile circles at present cannot fog the confidence which investors feel in a company with strong working capital and such a good dividend record.

National Breweries

National Breweries non-callable 7 per cent preferred sells on a 4.2 per cent basis because it is the senior security, because dividends have been earned from 6 to 9 times over in the years of depression and because prospects remain excellent.

Ogilvie Flour

Ogilvie Flour Mills non-callable 7 per cent preferred stock is almost unobtainable from present holders in view of the company's financial strength and the investment record of its junior stock. Last preferred sale was on a 4.4 per cent basis. Dividend has been earned from 5 to 11 times even in the difficult depression years.

Penman's

Nor have investors been able to get Penman's 6 per cent non-callable preferred for prices that give as high as a 5 per cent yield. The stock dividend has been paid regularly since 1906 and in the last three years has been earned four times over. The funded debt has been steadily reduced and the position of the stock improves in proportion. Working capital is strong and management highly regarded.

Sherwin-Williams

Sherwin-Williams is a 7 per cent non-callable cumulative stock. Its present price is around 115 and at that price has attractions even though earnings fell sharply after 1930 and arrears at the end of 1935 were $14 a share. The company has no funded debt, has a very strong working capital position and old experience suggests its earning power in a time of active construction would be enough to pay all arrears in a very few years.

Robert Simpson

Robert Simpson Co. 6 per cent preferred sells on a 5.1 per cent basis at the moment. It has been paid regularly ever since it was originally issued. It has been earned from 2 to 8 times every year during the depression. It is a favorite stock both in England and in Canada but holders do not part with it readily.

Tuckett Tobacco

Yield on Tuckett Tobacco 7 per cent preference stock at current prices is only 4.6 per cent. The dividends have been paid regularly since 1913 and have been earned in recent years from 3 to 5 times over. The non-callable feature is therefore regarded as being of great value. The return is higher than is available on Dominion and Ontario bonds.

* * *

Participators, Convertibles

Examples of participating securities are Canada Bread 1st and "B" 5 per cent preferred stocks, Canadian Celanese 7 per cent, and Riverside Silk "A" $2 shares. Non-callable stocks which also are participating in further earnings on various plans later described include Southern Canada Power 6 per cent, and Steel Co. of Canada. There are cumulative preferred stocks which have arrears so large that at present prices they constitute a real attraction in current earnings and later possibility of participation in further improvement in earnings.

There are other stocks which are only paying part of the dividend payable and they too have possibilities for improvement in market value and dividends. One instance is Sherwin-Williams non-callable 7 per cent which has $14 in arrears. In 1935 earnings were only $5.94 a share but in a period of active construction the company generally benefits materially. Simpson's 6½ per cent preferred pays at the rate of $4 now. Only $4.15 a share was earned in 1935 but there is a possibility that this will increase to high enough revenue to pay the full dividend and there are arrears of $19 a share as well.

Preferred stocks with convertible privileges include Agnew Surpass Shoe Stores, Niagara Wire Weaving, Moore Corp. "A" and "B" stocks, Russell Motor Car with $4 in arrears, and Toronto Elevators. Moore Corp. "A" and "B" stocks are also non-callable.

Agnew Surpass Store

Agnew Surpass Shoe Stores has strong working capital, no funded debt, a good record of dividend payments. The convertible privilege by which each preferred share can be exchanged for three common shares will be valuable only if common dividends of $2.50 a share on a permanent basis are inaugurated. The company paid 60 cents a share out of profits in the year ended May 31, 1935, and it earned 66 cents a share. The largest earning in a single year since 1928 was $1.43 a share in 1930.

Under such circumstances it appears far more likely that the company will continue its present policy of buying in preferred shares from time to time at the market and perhaps in the end call the stock at 110. That would increase the equity of common. As dividend on this preferred stock has been earned by a substantial margin in 6 out of the last 7 years it has good investment attractions but the convertible privilege is not a factor for investors at the moment.

Canada Bread "A" and "B"

As Canada Bread earnings have been improving in the last year and the new first preferred has been put on the full 5 per cent basis, that stock has attracted investors' attention. It is selling on a basis to return nearly 5.2 per cent. A possible chance for higher return lies in the fact that the dividend will be $6 a share after July 1, 1941, as the stock is not called at $110 a share before that.

Those who are willing to take a security not paying dividends at the moment are paying around $34 a share for the "B" preferred stock which is both cumulative and participating. When earnings permit, it will pay $2.50 a share annually and there are already arrears of nearly $2.50 a share to make up. In addition to that, if the company's earnings continue to improve until the company is able to pay more than 10 cents a share on common stock, this "B" stock will get 8 cents a share for every one cent a share additional paid on common.

The company has the right, however, to set aside $50,000 yearly, out of profits to redeem these "B" shares at market or $100 for each $50 share to 1941 and $100,000 thereafter.

Many expect the annual report for the year ended June 30, 1936, to show $4 a share earned on this stock even if nothing was paid. Possibly more was earned. Certainly the expectations for the future are built higher by most of the shareholders. Even that would permit common payments. The "B" stock has possibilities only limited by the very strenuous competition usually found in this industry.

Canadian Celanese

Canadian Celanese earnings throughout the depression have been so much more than the $7 a share dividend called for on the preferred that arrears were all paid and a participation dividend of $1.91 a share was added in 1935. That was the first amount paid on the participating privilege of this stock and shows therefore how valuable that sort of feature may be to patient holders of participating securities of a well-conducted company.

An even larger amount is possible for 1936 because the earned surplus was enlarged at the end of 1935 and the participating privilege calls for 10 per cent of whatever the accumulated earned surplus may be.

Arrears of preference dividends were paid off by rights of which 89,000 are still outstanding. These get $1 a share non-cumulative dividends before the preferred stock. These rights are callable at $25 a share and until they are called the prospect of Canadian Celanese preferred being redeemed is not pressing. That may happen some day, however.

Moore Corp. "A" and "B"

There are also shares like the "A" and "B" preferred stocks of Moore Corp. which are both non-callable and convertible. Both pay $7 a share with earnings nearly three times as much. They are non-callable, but if the holder ever wants to abandon the safety preferred zone, the "A" shares are convertible into 4 shares of common stock and the "B" shares into 6 shares of common stock. In 1935 common stock paid $1 a share and at that rate it does not cause any conversion. But earnings on the common stock were $2.18 a share in 1935 and therefore common shareholders have some hope that a larger dividend may yet be paid.

If that common dividend were $1.50 a share it would be the equivalent of $9 on the shares convertible for one share of "B" preferred stock. That would be attractive to "B" shareholders but "A" shares would not consider conversion privileges attractive until the company would be paying more than $1.75 a share on common. If the stock were ever on a $2 basis and it looked as if payments were likely to be reasonably consistent at that level, then "A" stock would disappear except for those hard-headed investors who valued the non-callable preferred position so highly that they would not be tempted to abandon it.

Moore Corp. is a company doing business in the United States and Canada. It has 90 per cent of its business in the United States, and its head office in Canada. It is well managed and its record to date shows it is a barometer of the state of business.

Niagara Wire Weaving

The Niagara Wire Weaving Co. $3 cumulative convertible no par value preference shares are drawing increasing interest and the shares are obtainable only on a 5.2 per cent basis because the company has been able to pay the full dividend during the years of depression. The convertible feature—share for share into common stock—is not an additional attraction at the moment as earnings on common in the depression never approached the figure which would make likely consistent paying of common dividends on a higher basis than preferred.

The redemption of the stock at $60 a share eventually seems more likely and the company has already during the depression bought in and cancelled 4,000 preferred shares, leaving less than 18,000 shares outstanding.

Russell Motors

New attention has been drawn to Russell Motor Car Co. 7 per cent cumulative convertible preferred by reason of the fact that earnings in 1935 reached $9.32 a share and the full rate of 7 per cent was paid. Earnings in 1934 were $5.46 a share and in 1933, $3.11 a share. Payments on arrears have been made and now only $4 a share are in arrears. Dividend record has been excellent since 1910 and though arrears have piled up in some years they have always so far been extinguished in good periods. The stock is redeemable at the holder's option and the redemption price is not set. It is convertible into the common stock share for share but the common stock has not paid as high dividends as the preferred stock since 1920 and nothing has been paid on it since 1932. The convertible feature can be considered therefore of only long view significance.

Steel of Canada

Steel of Canada 7 per cent preference shares of $25 par value attract a considerable following because they are non-callable and may increase dividends whenever the company earns enough to pay arrears of $10 a share stated by the Courts to be due on 400,000 no par value ordinary shares. The high regard of investors for the company and their confidence in its future are shown plainly by the fact that under these circumstances ordinary stock sells at 2.8 per cent yield and preferred stock at a 3.1 per cent yield.

Competition from outside Canada is keen but the company is well managed, has kept itself in a position to meet current prices and performance in all its plants and its liquid position is so strong that it could pay off all arrears on common stock this year if it were thought advisable. It is the knowledge of that ability which keeps the preference stock on a basis equal to that of gilt-edge government bonds.

Toronto Elevators

The convertible feature of Toronto Elevators, Ltd. 7 per cent cumulative $100 par value stock is of real significance. The stock is redeemable at $110, but if redemption were undertaken preferred shareholders have the right to avoid being paid off by exchanging their stock for common on the basis of three common shares for each preferred share. The common dividend is now $1 a share per annum, but the actual earnings have varied since 1930 from $2.86 to $5.08 a share per annum. Thus it appears likely to pay enough on common some time to make conversion feature valuable. The yield at reigning prices is 6.2 per cent.

Havens in Preferred Against Revenue Loss

The following table and the accompanying article show the earnings, record and possibilities of various non-callable, convertible and participating preferred issues and should be read in the light of current returns of from 3 to 3¼ per cent on prime government securities. The convertibles and participating preferred issues offer one means by which the investor can seek safety now and participate in any measure of recovery which comes and the non-callables are a way of protecting himself against "calls" and consequent declines in income.

Non-Callable Preferred Stocks

	Divd. $	Price $	Yield %	Earnings per share $	Maximum partic. $
Belding-Corticelli, pfd. cum.	7	135	5.18	11.83	7
Can. Cottons, pfd. non-cum.	6	100	6.00	4.15	6
Can. Industries	7	157	4.45	92½	7
Dom. Textiles, pfd. vot. cum.	7	146	4.79	67	7
Can. Oil Companies, pfd. cum.	8	130	6.15	12.07	8
Nat'l. Breweries, pref. cum.	7	40	4.37	14.41	7
Ogilvie Flour Mills, pref. cum.	7	165	4.24	37.17	7
Penmans, pref. cum.	6	122	4.91	27.48	6
Sherwin-Williams, pfd. cum.	7	115	6.08	5.94	7 & $14 arrears
Robt. Simpson Co., pfd. cum.	6	115	5.21	17.15	6
Tuckett Tobacco, pfd. non-call.	7	150	4.66	32.65	7

Convertible and Participating Preferred

	Divd. $	Price $	Yield %	Earnings per share $	Maximum partic. $
Agnew-Surpass, pfd. cum. conv.	7	102½	6.82	12.31	Conv. 3 for 1 p.
Canada Bread, 1st pref. cum.	5	95	5.26	4.47*	6‡
Class B pfd. cum.	2.50	36	6.94	0*	Unltd. part.
Can. Celanese, pref. cum. part.	7	121	5.78	16.82	7 plus 10% of surplus
Moore Corp., A pref. non-call	7	158	4.43	19.15	Conv. 4c—1 pf.
Do., B	7	225	3.11	19.15	Conv. 6c—1 pf.
Niagara Wire Weav., pref. cum. conv.	3	56	5.35	9.11	Conv. 1—1
Riverside Silk Mills, c. A cum. part.	2	30	6.66	2.66	After $2 on B
Russell Motor Car, pref. cum. conv.	7	109	6.42	9.32	7 & $4 arrears Conv. 1—1
Simpson's Ltd., pref. cum.	4	75	5.33	4.15	6½ & $19 arrears
South. Can. Pwr., cum. part. non-call.	6	100¼	5.98	10.26	7
Steel of Can., cum. part. pf. non-call.	1.75	58¼	3.00	9.18	Unltd.
Toronto Elevators, pref. conv. cum.	7	114	6.14	12.22	Conv. 1 for 3

‡See article for explanation.

*See accompanying article for details of increasing revenue in 1936.

"Your Money" by Sir Norman Angell

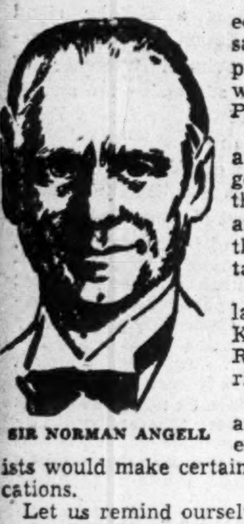
Plain Truths on Money and Credit Written in Plain Language by World Famed Authority

This is the thirteenth of a series of articles on money and credit written in plain understandable fashion by Sir Norman Angell.

Monetary Palliative Loaded With Danger

By SIR NORMAN ANGELL

Assuming that we can, when we know enough about it, control the price level by monetary (in combination with other) means, what ought we to aim at?



SIR NORMAN ANGELL

Until recently, most economists would have said, and did say, "a stable price level is what we want." In July, 1933, President Roosevelt said:

"The United States seeks a kind of dollar which a generation hence will have the same purchasing power and debt paying power as the dollar we hope to attain in the near future."

And concerning this declaration, John Maynard Keynes said: "President Roosevelt is magnificently right."

But today, particularly after the American experience of 1929, most economists would make certain reservations and qualifications.

Let us remind ourselves, first, how changes in the price level affect business. In a previous article we took the case of a farmer who had signed a long lease on his farm when he could pay his rent by the sale of, say, a hundred bushels of grain. There comes, in a gold standard country, let us suppose, a drain of monetary gold, a real reduction in the quantity of money actually available for business, producing a fall of prices, with no corresponding fall of costs, so that, while the cost of producing wheat is as great as ever, the farmer has to find twice as much in order to pay his rent. Plainly that may spell ruin.

When Price Levels Change

Take other results of a changing price level, when there is a tendency for prices to rise, the wholesaler says: "Let us buy goods now; later on they will be dearer. Let us be sure the order is big enough, so as not to have to buy later at higher prices."

The shipowner says: "Let us give an order for the ship this year, instead of next, when it will cost more."

But if prices are falling, the wholesaler says: "Let us put off giving orders as long as we can; the things will be cheaper later on. Cut your order down to the bone, because the goods will be falling in value."

When costs are falling, the shipowner says: "Let us build the ship next year or the following year; it will be so much cheaper."

Now it is plain which of these tendencies makes for active trade and full employment, and which for depression and unemployment. The first tendency found its extreme expression in Central Europe at the time of the inflationist orgy, when people ceased to talk of rising prices, but began to talk of the falling value of money; and got rid of money in exchange for goods immediately, for fear they should be left with worthless paper.

People filled cupboards with shoes for the time when their children should be grown up; with electric bulbs they might find of use five or ten years hence. Industry, of course, had a feverish stimulation. But the defects of the device were evident on its face. The whole money contrivance was rapidly going to pieces; those who had saved painfully during a whole lifetime were robbed of the results of their life's toil; those dependent on fixed incomes, pensions, etc., were reduced to penury; contracts indispensable to the work of civilization were becoming impossible to make in terms of the current money, and men were turning to foreign money, dollars, Swiss francs, gold, or commodities, as the only means of carrying on life. In other words, they were abandoning inflation because it had utterly broken down.

"Moderate" Inflation

But cannot we have "moderate" inflation? Perhaps.

D. H. Robertson, of Cambridge, takes the line that since, economically, we are in the hands of the business man, whose activity is stimulated by a fall in the value of money, "gentle inflation" might be our best policy. He says:

"On the whole, then, if we were perfectly free to choose, we should perhaps stick fairly closely to the obvious decision to keep the price level stable. But we should free ourselves to interpret that decision with care; we should be prepared either to suspend it, or to compel the overhauling of money contracts, in exceptional circumstances; and so long, at any rate, as we preserve the system variously known as private enterprise and as wage slavery, we should not refuse to wink at a little judicious use of the money pump, if the tires of industry seem to be sagging unduly."

The Report of the Committee on Finance and Industry (the Macmillan Report), signed by Lord Macmillan, Ernest Bevin, R. H. Brand, T. E. Gregory, J. M. Keynes, Reginald McKenna, and others, states definitely that:

"It should be our object to increase the power to exercise deliberate control over the price level; that there is nothing inherently impracticable in this; that with the gradual growth of knowledge and experience, and particularly with the further development of suitable machinery for regular international co-operation, the possibilities of such deliberate control should steadily increase; and that we should forward these ends to the best of our powers by being ready to attempt the task and to gain experience by practice."

And they recommend that:

"Our objective should be so far as it lies within the power of this country to influence the international price level, first of all to raise prices a long way above the present level, and then to maintain them at the level thus reached with as much stability as can be managed. We recommend that this objective be accepted as the guiding aim of the monetary policy of this country. The acceptance of such an objective will represent in itself a great and notable change. For before the war scarcely anyone considered that the price level could or ought to be the care and preoccupation, far less a main objective of policy, on the part of the Bank of England or any other central bank."

1929 Crash is Lesson

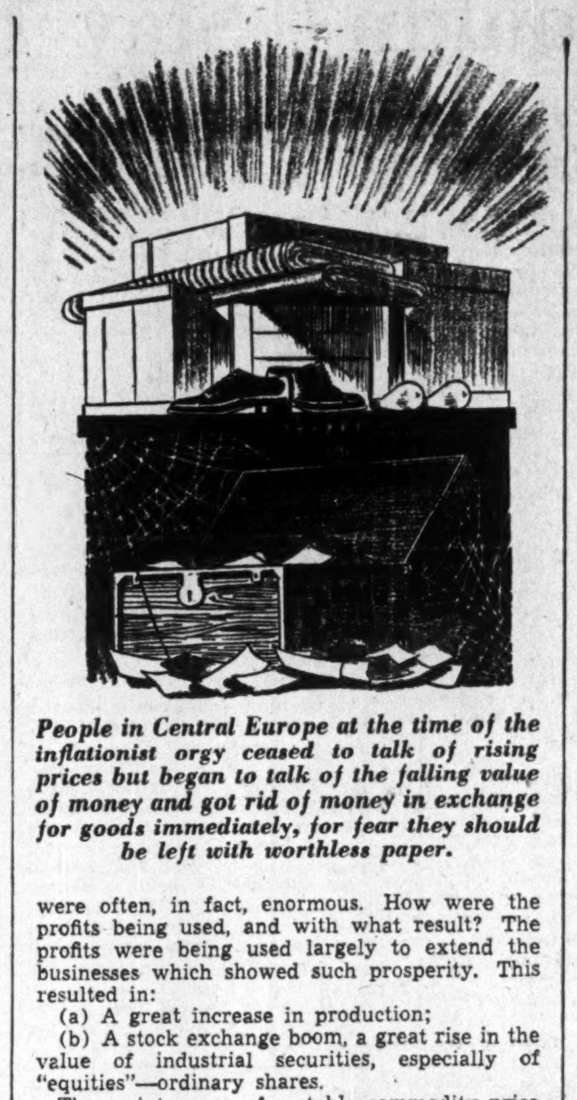
But since the sitting of the Macmillan Committee we have had the experience of the American boom of 1927 and the subsequent crash of 1929, and the illuminating fact that neither was prevented by the maintenance of a stable price level.

The wholesale price level in the United States between 1925 and 1929 was stable or with a tendency actually to fall very gradually. The currency was on a gold basis, and those who had looked to price stabilization as the one and sufficient policy were high in their praise of the Central Bank—the Federal Reserve Board—in maintaining a steady price level.

But while commodity prices were thus stabilized, costs were falling as the result of widespread technical improvements, "rationalization," and so one. But falling costs of production with no corresponding fall in prices meant, of course, ever-increasing profits for the producer. The profits were often, in fact, enormous. How were the profits being used, and with what result? The profits were being used largely to extend the businesses which showed such prosperity. This resulted in:

(a) A great increase in production;

(b) A stock exchange boom, a great rise in the value of industrial securities, especially of "equities"—ordinary shares.



People in Central Europe at the time of the inflationist orgy ceased to talk of rising prices but began to talk of the falling value of money and got rid of money in exchange for goods immediately, for fear they should be left with worthless paper.

The maintenance of a stable commodity price level meant a more favorable margin between costs and prices, and a cumulative incentive to further investment.

But plainly, if (a) dividends were to be paid on an enormously expanded capital (for a great rise in the price of securities means that if investors are to receive dividends, it must be dividends on a greatly increased volume of capital), and (b) sales increased to justify the extension of the producer's business, then the two things can only be done by the expansion of consumption. But where wages, salaries, pensions, incomes dependent on bonds and other fixed-interest investments, which are relatively inelastic, represent a large part of the nation's income, there can be no adequate expansion of consumption unless there is a fall in prices (so that the real income of the consumer, whatever his nominal income, is increased).

Wide Gap Set Up

But prices were not allowed to fall; profits did not go mainly into consumption, they went into an ever-increasing expansion of production. This set up a disequilibrium which, assisted by other factors (like a vast purchase of securities for speculative purposes "on margin," which meant that a fall of a few points compelled their sale, which sale produced further falls, which further falls produced further sales . . .), brought about in 1929 a tremendous crash.

A commonly accepted view at present is that remedy for the depression is to be sought mainly in passing on by lower prices, the main benefit of lowered costs to the ultimate consumer so that the flow through the pipes of commerce shall not be choked by accumulation of unconsumed goods. Obviously this cannot apply to all products (e.g., the consumption of, say, coffee, has limits that no cheapening of price could expand.). And for such adjustments between production and consumption we may have to come to their consciously planned control.

Advocates of schemes of consumers' credit, of which we have heard a good deal in recent years, declare that their plans for putting greater purchasing power into the hands of consumers (as distinct from the producers of capital goods) would not have the effect of raising the price level. If their plans did have that effect, and prices rose as the result of putting money into the consumer's hands, it would not, in fact, mean an increase of purchasing power—only an increase of money, the purchasing power of which would be continually declining as prices rose, and we should be faced with the old problem of inflation; of enabling our increase of money to keep pace with the increase of prices.

In judging such plans the attention of the student might profitably be directed to one point: If new money continually put out is permanent money (as distinct from what in previous articles has been described as the "temporary" money which under existing systems is cancelled when its function has been fulfilled) and the goods which it brings into being are consumed, there must be necessarily a growing disproportion between money and goods (on the analogy of the meal ticket, which found its way out of the institution when the meal it entitled the holder to had already been consumed); while the money would be permanent, the goods would not be.

As we have seen in our story of the 1929 American crisis, failure to pass on to the consumer through lowered prices (the failure of price to come down being itself an outcome of the monetary effort to maintain the price level at a time when costs were falling) did in fact set up the disproportion between investment and consumption, upon which J. A. Hobson has so frequently insisted as a cause of economic trouble.

The problem is not purely monetary. But that does not mean that monetary control may not be indispensable. It is a common mistake (particularly among reformers) to assume that if a given reform is proved to be insufficient, it ceases for that reason to be indispensable. But it may be indispensable without being all-sufficient. Monetary reform may not of itself be able to cure all the economic ills; but it may nevertheless remain true that the worst of the economic ills can never be cured unless we get monetary reform. Merely to put a good spark plug into a motor car otherwise defective will not make it run satisfactorily; but the best motor car will not work unless the spark plug works.

Mismanagement Fatal

Even though we do not know just how money ought to be managed we do know that certain forms of mismanagement are fatal—or if we do not know, then we must learn.

We know that the money machine must not be dislocated by such devices as indiscriminate increase in the value of money just because that may be a monetary palliative. We know that a crude mechanical stabilization of the price level will not work either; that while we must prevent rises of price due to monetary causes, we must not prevent such falls of price as are due to cheapening of costs. Neither of these conditions excludes a money management which, if it will not enable us to avoid altogether the oscillations of the business cycle, will at least enable us to establish shock absorbers, in some measure to "iron out" the irregularities.

But assuming that management of money to one end or another there must be—and, as we have already seen, there can be no such thing as "leaving the money machine alone," since we make the machine, and, whether we will or not, determine its functions—by what means may we control the machine, what is the technique?

Manitoba Not Excited Over Coming Election

From Our Own Correspondent

WINNIPEG.—Manitoba's summer election scheduled for July 27, brought on somewhat unexpectedly by Premier Bracken's dissolution of the legislature a year earlier than its natural expiration, does not promise a great deal of excitement. Opposition is to be expected to the Premier's Liberal-Progressive following from Conservatives, Social Crediters and C. C. F. candidates, while the Independent Labor party will probably continue to elect a number of candidates from Winnipeg and vicinity. But none of these is expected to make much headway.

The Social Credit forces do not appear to have developed any effective leadership in this province, and if the Alberta doctrine makes any headway it will be a matter of surprise.

The C. C. F. organization, outside of the Labor party is not important.

The Conservatives would probably make a good showing in provincial elections if any particular issue should develop and their new leader, Mr. Willis, whose selection antedated announcement of the election by only a few days, will, it is thought, be a forceful figure. But Manitoba affairs are at the moment almost completely devoid of issues.

COTTON FABRICS AND YARNS

DOMINION TEXTILE COMPANY, LIMITED

MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Revolt in Quebec

QUEBEC is seething with political and economic ferment! Aggressive, well organized, above all a movement of the youth of the Province, this is no passing political flurry . . . it has already shorn the powerful Taschereau Government of most of its power. Outside of Quebec, little is heard except rumors — that Nationalism has been revived, that a movement is on foot to set up a Laurentian Republic, that the new leaders seek the "reform of capitalism" . . .

What are the Facts?

"The truth of the matter is that Quebec is in the throes of a reform movement which has both political and economic aspects . . . ." writes Victor Soucisse in the first of three articles which will give Maclean's readers a first-hand, accurate story on a situation of front-rank importance. The first article will appear in the July 1st issue.

JULY 1st ISSUE NOW ON SALE

Maclean's

May Escape Penalties By Paying Estate Dues

Suggestion Made Ontario Grant Form of Amnesty in Succession Duty Evasion

By WELLINGTON JEFFERS

Wealthiest estates have been the greatest evaders of death duties in Ontario in past years. Among these large estates, moreover, tax officers have found that there are practically no cases of innocent transgression. The testators and the heirs concerned have been men or women accustomed to seek the most expert legal, accounting, appraising and investment advice available. Therefore their concealments and undervaluations of assets have been considered to be deliberate by provincial authorities.

There has never been in Canada such a determined attempt at collection of death duties as is now being made by the Ontario Treasury. Penalties have been raised from 25 to 100 per cent whenever evasion is discovered. Scores of dovecotes are fluttering because there is no legal bar to the province reopening an enquiry into any estate which has been probated this century if officials have reason to believe there was concealment of assets.

Performance of functions of Treasury department was careless in preceding years both in accepting valuations of estates and in the enforcement of penalties if errors were discovered. The penalty provisions are now regarded as very important. The treasury hopes they will cause wealthy men and executors to consider it good business to give all vital information about an estate, so that there may be no heavy penalties later.

Must Be Impartial

Questions as to valuation coming before the Ontario Treasury officials are very complicated. As they are subject to review whenever heirs feel they have been harshly dealt with, the officers who are politically non-partisan and of great financial experience have to consider each valuation with the same detachment as a judge would give it.

Most investors would get a complete education in the principles underlying investment if they could listen in to the discussions which accompany valuations of stocks, bonds, contracts, machinery, plants, houses and other properties. The market valuation of even a listed stock is not always accepted at face value; the past record of the company, the quality of its present management; the competitive factors; the prospects and market conditions all enter into the ultimate appraisal. Supposing that management of a company has recently changed: the new incumbents might be surprised to know how keenly their records and methods are scrutinized just so that the Ontario Treasury may form an idea of the value of the stocks or bonds when they appear in estates and have to be valued for death duties. When a founder of a business dies especially, the whole situation of a company gets the most careful appraisal.

Obsolescence Allowed For

The product or products, the customs protection, the competition from home companies and from foreign, labor conditions are all discussed. Officials even go into huddles over a balance sheet to decide whether a company has enough working capital or not and what the effect on its future will be of the lack or adequacy of liquid funds. They ask whether buildings are new or out-dated, if machinery is obsolescent or modern.

Long View is Taken

When an estate is finally passed under present conditions it has run the gamut of searching investigations. But even so, no estate is considered to be closed against another assessment if new and pertinent facts about assets come to light.

And always the right of appeal from decisions of the Treasury to a surrogate court judge, appellate division, remains to cause officials to make every decision as impartial as possible.

How Assets Were Concealed

What measures have been taken in the past to conceal assets?

Many methods have been devised. The wealthy man, desiring to hide as much as possible of his wealth from the state, will buy bearer bonds and stocks. He acquaints his heirs and either gives it to them in the form of gifts during his lifetime or makes arrangements for disposition of it after his death. In some cases he has arranged with what might be called a committee of relatives to take possession of these securities and to pass them on as he desires. Or he may deposit such securities in packets addressed to the beneficiaries and delivered to them after his death.

Another method was deliberately to deceive the Treasury officials as to the value of a property. For example, it would be claimed a certain property had a mortgage against it when it had not. That would seem to be an easy thing to check and a close investigation would have shown an experienced man the deception. One estate showed a property valued at $50,000 and a mortgage of $25,000 against it. There had been such a mortgage but it had been paid off and the discharge was not registered.

Getting After Expatriates

In the case of medium-sized estates attempts at evasion generally took the form of giving away the property during a testator's lifetime. All such gifts have to be added to the estate and may make all the difference between an estate being exempt and paying a large duty.

The Treasury department is giving close attention—and so is the Dominion income tax department—to the cases of persons establishing estates at Nassau or in other countries with the object of avoiding both income tax while they live and death duties when they die. Various methods of checking up on such evasions have been worked out and it is expected evasion will become more and more difficult as time goes on. International cooperation is being sought. But so far most of the measures taken are being kept secret.

Amnesty For Penalties?

Suggestion has been made that some sort of amnesty be given to offenders who come forward themselves without waiting for the Department to unearth former withholding of information. It is suggested the penalty should be dropped for such cases or only a small penalty exacted. Also it might hasten the process of collection of duties on former estates.

Such partial amnesty could only be effected by the insertion in the Succession Duties Act of some such clause as Clause 83 of the Ontario Income Tax Act passed at the last session of the Ontario Legislature:

83. (1) If any person omits to declare any dividends, rentals, interest, royalties, or other like income which, on any enquiry or *on information obtained from any person other than the taxpayer*, is subsequently ascertained to have been received, such person may be assessed as if double the income so omitted from his return had been received."

That penalty is a severe one just as in the case of the Ontario Succession Duties Act but leeway is left the department in the case of "information obtained . . . from the taxpayer."

May Publish Estate Delinquents

A further suggestion to facilitate quick collection has also been made that the Treasury department publish the list of estates where information has been withheld. Such a suggestion would mean the naming of a period of amnesty after which such lists of evaders would be made public. Up to that date executors and beneficiaries would have an opportunity of coming forward and giving information whenever they had knowledge that the Crown had been defrauded. Thus they would purge themselves and avoid heavy penalties.

Under such a plan probably one half the penalty would be levied as in the cases where the Crown discovered all the evasions itself. After the period of amnesty elapsed the offenders, it is stated, would have no reason to expect any consideration or any public sympathy.

Taxing the Heirs

Men who have amassed a fortune have in most cases never accustomed themselves to think of the Succession duty as a legitimate tax. They think that they should have a right to do what they please with their own and that the activity of provinces to enquire into every gift made to relatives or friends to see if it is an attempt at evasion is an invasion of the rights of the individual.

The tax authorities agree that a man has, as long as there is a right to private property at all, the right to bequeath his property or give it away as he sees fit. But they claim that there is no such acknowledged right of inheritance. The tax is taken not from the giver but from the one receiving the gift. At any rate the tax is now here to stay.

Lessen Other Taxes

It is argued big succession duties slow up business and expansion. On the other side it is claimed the only alternative is to tax the general taxpayer and the amount would then come from classes of people less able to pay.

In every case so far investigated by the Ontario Treasury it has been found that concealment of income from the Dominion Income tax branch has also been indulged in.

Quebec Will Follow Suit

The Ontario Treasury does its best to facilitate the settlement of an estate without holding up necessary expenditures. It has to protect the Treasury but it releases certain liquid assets to meet pressing bills. There may be a mortgage falling due and the principal has to be met.

If the amount of duty paid is found later to be excessive, it is refunded with interest. This is believed to be the only tax department which pays interest on excessive amounts gathered. This practice is not followed by the Dominion Income tax branch or in refunds of sales tax or customs duties.

The estate is supposed to be settled six months after date of death so far as the Treasury department is concerned unless extension is needed for some reason.

Maurice Duplessis, leader of the Opposition in the Quebec Legislature just dissolved, says that estates of Quebec will be reviewed just as strictly as Premier Hepburn has in Ontario. Mr. Duplessis says Quebec will collect more than Ontario has. Other provinces are sitting up and taking notice.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Advertising linage in Australia and New Zealand has jumped by 32½ per cent during the past two years, reflecting an all-round improvement in general conditions. A similar trend is to be noted "down under" as that evident in Canada in the improving of agency-advertiser-publisher relationships. Agency commissions in both Australia and New Zealand will be standardized at 10 per cent on July 1 and a conference will be held in November to discuss possibilities of raising the rate to 15 per cent.

* * *

L. C. Smith & Corona Typewriters of Canada Ltd., Toronto, have appointed the F. H. Hayhurst Co., Toronto, as advertising agents. Plans are under way for a campaign to commence in the fall.

* * *

Full pages in magazines and 600-line copy in daily newspapers will be used towards the end of this month to feature a reduction in the price of Pepsodent and the introduction of a smaller sized tube of the toothpaste. Lord & Thomas of Canada will place the business.

* * *

J. S. Keenan has been appointed manager of the appliance and merchandising department of the Canadian General Electric Co. He was formerly assistant head of that division.

* * *

A number of new and former advertisers have recently made their appearance in industrial papers in Canada. B. F. Goodrich Co. followed a two-page color spread in May issues in the automotive field with a full page in June. This company has been absent from the trade field for some time. At the same time it is making a reappearance in national magazines. Paasche Airbrush Co., makers of printing equipment begins a series with a full page in color in June in the business paper field. Canadian Power Regulators is taking covers in color in the power field, and the Laminated Shim Co., Cleveland, will be using regular space in metal working papers.

* * *

Urging dealers to take advantage of its augmented consumer campaign, Canada Dry ran full-page copy in drug and grocery business papers recently. The trade paper advertising was timed to make the summer drive more effective by inducing dealers to display and push sales of the product.

* * *

Sonia Products Ltd., Montreal, has appointed the Baker Advertising Agency to direct advertising for Di-So-Ma, a corrective for stomach disorders. A series of advertisements has been released featuring well-known proverbs which could be read to refer to the after-effects of over indulgence in eating and drinking. The product is distributed by Ralph W. Barton & Co., Toronto and Montreal.

* * *

Product advertising for Bismol Laboratories, Montreal, is appearing in leading drug trade papers with the object of familiarizing druggists with Bismol specialties prescribed by doctors. A. McKim Ltd. is handling the account.

* * *

After an absence of more than a year, the Barrett Co. Ltd., makers of roofing and allied prooducts, is advertising again through national magazines. Half-page space on a new theme for Barrett Shingles opens the campaign, directed by J. Walter Thompson Co.

* * *

Agency franchise regulations, commercial broadcasting, controlled circulations and rate differentials all came in for discussion at the semi-annual meeting of the Association of Canadian Advertisers in Toronto last week. It was announced that two representatives of the A. C. A. would confer in the immediate future with two members each of the Canadian Daily Newspapers' Association and the Association of Canadian Advertising Agencies in the hope of effecting further adjustments in the C. D. N. A. terms of agency recognition. The advertisers are also working closely with publishers of business papers with controlled circulations in an effort to evolve a standard form of audit.

CANADA and The Next Five Years . . .

FORTY prominent Canadian business and professional leaders recently outlined Canada's national problems and offered solutions. Their articles appeared in The Financial Post.

Read their timely opinions on subjects of vital importance to every Canadian man, woman and child, together with a striking analysis of their views.

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Michaelmas Term begins Sept. 9th.

For full information and illustrated folders please apply to the Headmaster,
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Bank Chat

Cash on Demand

A READER of the Edmonton Journal writes that paper criticizing its editor and other "orthodox economists," such as Sir Norman Angell, on their views regarding money. This reader objects to the statement:

> "As for depositors in savings banks, they can withdraw their funds at any time if not satisfied with the rate paid."

He then proceeds to show that there was on a recent date $2,750 millions on deposit in the savings banks in Canada. At that time there were "less than $800 millions" of Canadian money of all descriptions in existence. He says:

> "If any appreciable number of depositors, say ten per cent, made a concerted move to withdraw their deposits it would break every bank in Canada," unless a bank holiday were declared.

It is curious how often this simple perplexity is stated as though it were one of the great imponderables of money. Of course, if ten per cent or more of the people asked for their money all at the same time it would be difficult, if not impossible, to supply it. But banking is predicated upon confidence, and so long as there is confidence there is no general run on the banks. If one were to create a banking system on the assumption that people were stupid sheep and acted like stupid sheep at all times instead of only rarely, it would have to be a vastly different banking system that we have.

* * *

A Safe Assumption

THEATRES are built with exits. If all the people in a crowded theatre decided they wanted to get out of the building at one and the same instant, they could not achieve their objective. There would be a panic and many casualties would follow. But theatres are built on the assumption that people generally are prepared to take their time about getting out of a theatre and to march out in orderly fashion. If one could not safely assume that that would be the case in all except once in a million times, it would be necessary to build theatres without walls so that instantaneous evacuation would be possible.

There are not many bank depositors who insist that the bank keep every dollar of their deposits instantly available for delivery in coin at a moment's notice. If there were, there would be no need for banks. People would keep their wealth in the form of cash and would wear out a new pair of braces every week holding up their trouser pockets.

* * *

Habitants Well Off

IT IS a mistake to consider all French-Canadians poor, according to B. A. Dugal, superintendent of insurance for Quebec. Speaking before the insurance group of the Special Libraries Association last week, Mr. Dugal substantiated this view as follows:

> "I could name 12 of them instantly who could muster in cold cash between themselves in 48 hours from $15 millions to $20 millions. And there are several thousands of them throughout the province who are quoted as being worth from $100,000 to $500,000. As to 'rentiers,' living on their own incomes varying from $600 to $1,500, you meet them by the thousand in every city, town or village. The farmers also live in comfort and peace with their large families on a cash income varying from $500 to $1,000, apart from which they produce 75 per cent of their needs on their own farms."

* * *

Credit Unions

SOME idea of the thriftiness of the French-Canadian may be obtained from the extent of co-operative credit banks in Quebec.

There are 184 of these with 36,811 shareholders who have paid in capital of more than $1.5 million. Shares are sold at $5 each and no shareholder can subscribe for more than $2,000 worth. Depositors number 39,723 with balances aggregating almost $6.1 millions, and borrowers 11,230 with loans of $2.1 millions. From 1915 to 1934, loans were made for a total amount of $65.7 millions.

Sales Increase

The upward trend in variety chain store business, in evidence since the spring of 1933, was continued in 1935 when 14 chain companies with 390 individual stores had aggregate sales of $37.9 millions. This amount represents an increase of 6 per cent in value over the $35.6 millions recorded in 1934 and only 3.7 per cent below the amount of business transacted by variety store chains in 1930, the first year for which complete data are available.

Growth of Services Creates Cost Problem

The vertical growth of banking, that is the wider range of services offered, has been overshadowed in the public eye by horizontal expansion, an increasing number of branches, it is contended in the banking supplement of the London "Economist."

"Before the war," says the Economist, "except among the trading community, the possession of a banking account was confined generally to people of substance, the professional class, large salary-earners and those whose incomes, however moderate, were derived mostly from investments.

Accounts More Numerous

"Today, almost every salary-earner keeps a banking account; large institutions have adopted the practice of paying salaries direct to the accounts of the clerical employees; and certain public bodies make all their payments, including wages, by cheque. The cheque is being used by an ever-widening public for periodical payments such as telephone subscriptions, and standing orders are accepted for installment buying and a host of minor purposes.

"Bankers are aware that the increase in the work which falls to them is due largely to the accretion of detailed business. In pre-war days, with fewer accounts, when it was customary for private individuals to maintain a higher average balance, and seldom to draw cheques of small denominations, banks could afford in most cases to transact the bulk of the services required of them free of charge.

"Shortly before the war, business had reached a point when bankers were obliged to recognize that many accounts on their books were being run at a loss unless a charge was made." And the journal goes on to consider the methods of costing the various items which have since pyramided costs.

The practice of regarding each debit item or ledger folio as the unit of cost is considered fairest from the customers' point of view, although admittedly unscientific. The "Economist" likens it to the system followed by doctors and solicitors of charging a flat fee per visit or letter. From the bankers' viewpoint, however, it is defective because of the rise in cost of services and overhead expenses, unless the charge per unit is raised.

A statement in the London "Times" to the effect that each cheque drawn upon a bank costs between 6d. and 9d. is queried by the Economist. "There are probably few bankers," it states, "who would care to base the charge required to cover an unremunerative account upon anything approaching the higher of the two figures mentioned by the 'Times' estimate, even if the calculation allowed fully for the value of the customers 'free balance' from day to day at the current call rate. Yet they might fairly contend that since their charges are lower than those which are customary with any other banking system in the world, a protracted period of exceptionally cheap money has not only reduced the revenue from their earning assets, but has also increased the expense ratio to a level that cannot be maintained indefinitely."

Sales Tax May Grow To Be Nine Per Cent

Recent correspondence to Hardware and Metal, Toronto, from a western merchant states that his first invoice since May 1, showed the average increase due to the higher sales tax to be 3 per cent instead of 2 per cent as announced by the government in the 1936 budget.

This merchant argues that if the same percentage of increase is followed by the retailer, the advance on goods would total close to 5 per cent.

Foreign Exchange

The French situation continues to dominate foreign exchange markets, with relatively small volume of business. The general uncertainty is reflected in the disclosure by Switzerland last week that while she is definitely opposed to devaluation, plans have been formulated to meet the possible defection of France from gold. In this event it is believed she would join the sterling group. Similar developments would be likely in Holland.

Meanwhile, authorities consider ability to avoid devaluation of the franc depends largely upon two factors—rising costs of production in other countries and a reduction in production costs in France. While some advance in production costs elsewhere has been experienced, it is not felt it has been at a sufficiently rapid rate to materially influence the franc. Internal commitments, involving heavy expenditures, and consequently heavy taxes, and the necessity of maintaining wages make probability of any reduction in France's costs very remote.

Sterling, despite slight weakening last week, is still very strong, with the flow of funds from Continental countries in search of a safe haven proving a constructive factor. A similar movement to the United States has been instrumental in continuing the gold movement to that country.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	June 16	June 17	June 18	June 19	June 20	June 22
U. S. dollar, High	.5906	1.00 1/16	1.00 3/32	1.00¼	1.00 3/32	1.00 1/16	1.00⅜
Low	.5906	1.00 3/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00¼	1.00 1/32
1935, High	.5906	1.00⅛	1.00⅛	1.00 1/32	1.00 1/16	1.00 3/32	1.00 1/16
Low	.5906	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/32
U. K. pound	4.8665	5.05	5.04	5.04¼	5.03½	5.03¼	5.03¼
Argentina	.4246	.2785	.2793	.2792	.2788	.2789	.....
Australia	4.8665	4.0324	4.0231	4.0259	4.0282	4.0255	.....
Austria	.1407	.1881½	.1883¼	.1882	.1885¼	.1891	.1890
Belgium	.1392	.1694½	.1697	.1694½	.1694¼	.1697¼	.1697
Brazil	.1963	.0576	.0576½	.0576¼	.0576⅝	.0576¾	.0576⅝
Czechoslovakia	.0296	.0414	.0415	.0414½	.0414½	.0414¾	.0416
Denmark	.2680	.2256¼	.2251½	.2254	.2251¼	.2253	.2246¼
France	.0392	.0659⅝	.0660½	.0659⅞	.0660½	.0662	.0661⅝
Germany	.2382	.4037½	.4039	.4036	.4040½	.4045	.4043½
Greece	.013	.0093¾	.0094	.0095⅞	.0094	.0094¼	.0094½
Holland	.4020	.6771½	.6779	.6770	.6784	.6799	.6799
Hungary	.1749	.1994	.1995½	.1994	.1995½	.1996	.1995½
India	.3650	.3840	.3842¾	.3837½	.3840	.3832	.3827
Japan	.4985	.2955½	.2958¼	.2956½	.2958¼	.2959	.2954
Jugoslavia	.1929	.0230	.0230	.0230	.0230	.0231	.0231
New Zealand	4.8665	4.0731	4.0637	4.0665	4.0606	4.0579	.....
Norway	.2680	.2538¾	.2533	.2534½	.2532	.2529	.2528
Poland	.1122	.1882	.1890	.....	.1888	.1891	.1895
South Africa	4.8666	5.0254	5.0138	5.0173	5.0089	5.0067	.....
Spain	.1929	.1367	.1368½	.1367½	.1369	.1372	.1372
Sweden	.2680	.2605	.2599	.2600	.2598¼	.2595	.2594¼
Switzerland	.1930	.3237	.3243	.3242	.3254	.3266	.3264
Hong Kong	.5422	.3256	.3249	.3257	.3251	.3260	.3249

Lost Money

Drafts, Cheques Issued But Never Cashed

Here is another list of money held by the banks as a result of failure of individuals to cash certified cheques, drafts and money orders. The items are taken from the return made by the Royal Bank to parliament dated Dec. 31, last. For the most part the returns gives the name of the payor but not the payee. Recovery of the money, therefore, must depend chiefly upon the individuals and companies who paid it coming to a reasonable arrangement with the bank for re-possession. All the accounts here listed are held at the head office of the bank at Montreal.

The Maryland Casualty Co., 388 St. James St., Montreal, issued a note or certified cheque for $10 on Aug. 13, 1928. The payee is not named and the cheque has never been cashed. Other uncashed cheques issued by this company are: Feb. 5, 1930, $2; July 11, 1930, $3.

The American Equitable Insurance Co., 276 St. James St., Montreal, issued a certified cheque or order on Sept. 14, 1929, for $21.40, uncashed.

The Columbia Insurance Co. of New Jersey, Montreal office, 480 St. Francois Xavier street, issued a certified cheque on March 13, 1929, for $3, uncashed.

The Downtown Garage Ltd., 63 Prince St., Montreal, issued a certified cheque or money order on Nov. 5, 1929, for $100.47. It has never been cashed.

The Metropolitan Life Insurance Co., 1 Madison Ave., New York, has issued several cheques which have never been cashed and which are listed by the Royal Bank head office at Montreal—Aug. 9, 1929, $3; Aug. 14, 1930, $6; Oct. 1, 1930, $30.36.

The Northern Assurance Co., 40 Hospital Street, Montreal, issued a certified cheque or order on March 23, 1929, for $5. It was never cashed. Another uncashed cheque was issued Sept. 5, 1929, for $16.85.

The Pagano Construction Co., 222 New Birks Bldg., Montreal, issued a certified cheque May 16, 1929, for $50, uncashed.

The Railway Passengers Assurance Co., c/o W. B. Clarke, 230 Park Ave., New York, issued a certified cheque for $20.25 on Aug. 12, 1929. It has never been cashed.

The Travellers Insurance Co. (general account) of Hartford, Conn., issued a certified cheque or draft for $18.78 on Jan. 8, 1929. It has never been cashed. Other uncashed cheques issued by this company are: May 20, 1929, 88 cents; March 14, 1929, $5; Aug. 19, 1929, $10; Dec. 14, 1929, $1.

H. W. Corrigan, Board of Trade Bldg., Montreal, issued a certified cheque or draft Nov. 11, 1930, for $560. It has never been cashed.

Three cheques issued by the **Globe and Rutgers Fire Insurance Co.**, 465 St. John St., Montreal, have never been cashed: March 11, 1930, $5; Aug. 26, 1930, $20.24; Sept. 2, 1930, $5.99.

The Montreal Trust Co. (dividend account), 511 Place d'Armes, Montreal, issued a cheque for $50 on July 14, 1930. It has never been cashed.

The Queensland Insurance Co. of 480 St. Francois Xavier St., Montreal, issued a cheque for $20 on Nov. 24, 1930. It has never been cashed.

Weekly Bank Clearings

	June 18 1936 $	Change year ago %	June 11 1936 $
Halifax	2,361,328	+ 2.0	2,614,716
Saint John	1,855,649	+17.0	1,872,115
Moncton	784,788	+ 2.4	648,818
Sherbrooke	670,767	+14.2	661,659
Quebec	4,055,677	+ 1.0	4,026,989
Montreal	109,779,408	+19.7	106,267,995
Ottawa	28,474,590	+20.3	25,306,332
Kingston	533,660	+ 4.2	536,648
Peterborough	696,591	+11.7	632,584
Toronto	134,366,187	+ 8.1	137,839,681
Hamilton	4,529,145	+11.5	4,208,048
Kitchener	1,107,808	+ 9.8	943,737
Brantford	994,415	+ 4.1	805,105
London	3,490,588	+15.8	2,946,903
Chatham	456,810	+ 4.3	502,862
Windsor	3,044,573	+23.4	2,608,414
Sudbury	941,355	+27.3	947,913
Sarnia	504,067	— 7.7	548,309
Fort William	934,551	+43.3	1,049,997
Winnipeg	72,614,792	+35.9	52,475,793
Brandon	342,599	+15.3	303,807
Regina	3,257,032	+11.8	3,507,083
Moose Jaw	582,446	+22.0	571,523
Saskatoon	1,489,465	+ 9.4	1,499,950
Prince Albert	351,646	— 3.7	314,368
Edmonton	4,068,261	+ 8.1	3,663,932
Calgary	5,211,767	— 2.0	5,440,545
Medicine Hat	234,720	— 4.0	205,968
Lethbridge	445,005	—14.3	449,793
N. W'minster	577,611	+13.0	585,863
Vancouver	18,192,271	+12.1	17,934,169
Victoria	1,735,409	+15.2	1,726,169

Imperial Bank Opens Office at Pickle Crow

The Imperial Bank has opened an office at Pickle Crow as a sub to Sioux Lookout branch. The new office will serve one of the newer Ontario gold mining districts.

Bank of Canada Weekly Statement

Major change in the Bank of Canada balance sheet in the week ended June 17 was a sharp advance of more than $10 millions in deposits of the chartered banks. To some extent this was offset by declines in government deposits and miscellaneous items, so that the total liability figure is only slightly more than $3 millions above that of the previous week.

Changes were relatively small in assets, with long term security holdings and sterling reserve recording gains.

Balance Sheet

	June 17 $	June 10 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	94,125,448	95,105,620
Rest fund	173,092	173,092
Dep. Dominion	27,684,934	30,708,317
Banks	191,162,638	181,040,386
Other	637,604	1,248,087
Total deposits	219,485,176	212,996,790
All other liabs.	1,956,968	4,366,230
Total liabs.	320,740,684	317,641,732
Assets		
Reserve: Gold	179,914,959	179,961,088
Silver bullion	1,729,218	1,729,218
Res. in sterling	4,259,738	1,124,260
Res. in U. S.	15,741,399	16,530,090
Res. elsewhere	1,787	2,612
Total reserve	201,647,102	199,347,268
Subsidiary coin	277,158	289,946
Advances	3,300,000	3,000,000
Investments:		
Dom. govt. short	28,262,673	29,039,910
Other Dom. govt.	84,764,143	82,104,430
Total invest.	113,026,816	111,144,340
Premises	206,455	206,455
All other assets	2,283,153	3,653,723
Total assets	320,740,684	317,641,732
Reserve ratio	64.29%	64.70%

Staff Changes

The Royal Bank has announced the following changes in staff:

R. S. SCOTT, formerly manager at Pernambuco (Recife), to be manager at Bogota.

A. RANGEL, formerly assistant manager at Havana, to be manager at Lonja del Comercio, Havana.

J. N. MENARD, formerly accountant at Shawinigan Falls, to be accountant St. Roch branch, Quebec.

F. GRINGRAS, formerly accountant at St. Roch, Quebec, to be accountant at Papineau Ave., Montreal.

C. A. THORP, to be manager at Fort McMurray.

J. B. COTE, formerly accountant at St. George East, to be accountant at Shawinigan Falls.

R. C. BOUCHER, formerly accountant at Bathurst, N.B., to be manager at Cheticamp, N.S.

R. A. ROBERTS, to be manager at Landis, Sask.

The Bank of Nova Scotia has appointed R. L. S. Baker accountant at Kingston, Jamaica.

Public Utility Earnings

Mexican Light & Power

	1936 $	1935 $	Increase $
April			
Gross earns.	655,121	577,706	77,415
Oper. exps. & deprec.	468,297	450,234	18,063
Net earns.	186,824	127,472	59,352
Four Months Ended April 30:	1936 $	1935 $	Increase $
Gross earns.	2,690,379	2,503,094	187,285
Oper. exps. & deprec.	1,827,804	1,785,284	42,520
Net earns.	862,575	717,810	144,765

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High Grade Bleached Sulphite Pulp

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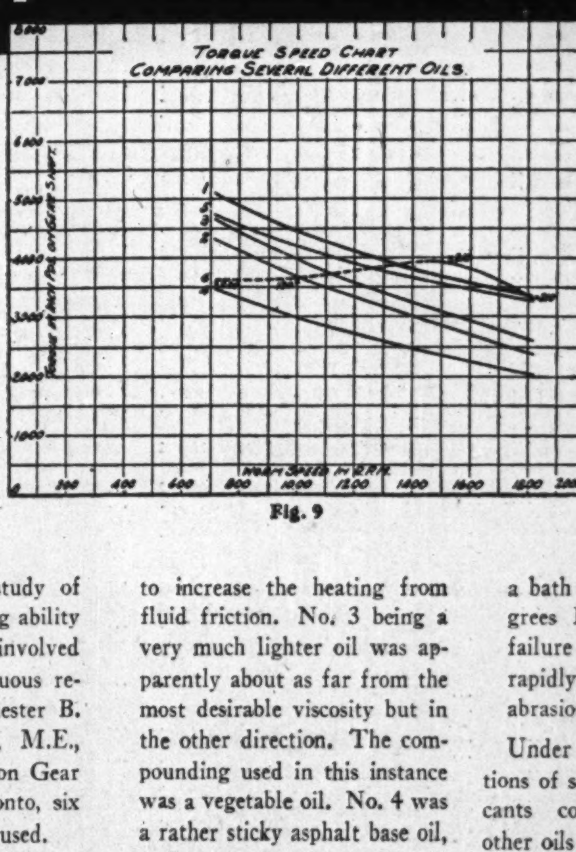

Fig. 9

IN an experimental study of the power transmitting ability of worm gears, which involved eleven months of continuous research, conducted by Chester B. Hamilton, Jr., B.A.Sc., M.E., President of the Hamilton Gear & Machine Co. of Toronto, six different lubricants were used.

Gargoyle Cylinder Oil 600W was among the group of oils tested. The results as shown by the above chart speak for themselves.

The following excerpt from the report prepared by Mr. Hamilton and presented to the Engineering Institute of Canada, Toronto Branch, explains the performance of the oils as shown by the chart:

"No. 2 oil fell below No. 1, probably by reason of its high viscosity .162 sec., which tended to increase the heating from fluid friction. No. 3 being a very much lighter oil was apparently about as far from the most desirable viscosity but in the other direction. The compounding used in this instance was a vegetable oil. No. 4 was a rather sticky asphalt base oil, and appeared to have a disproportionately high fluid friction. All others except No. 6 were paraffin base wholly or partly. No. 5 was a straight paraffin cylinder stock, steam refined, but not distilled over the top. It resembled No. 1 but had no compounding with animal or vegetable additions. No. 6, a patented mineral and castor blend, largely castor oil, gave a peculiar result. While it performed well at high speed, it would not carry enough load at the lower speeds to develop even a bath temperature of 210 degrees F. without collapse or failure of film lubrication, with rapidly rising temperature and abrasion."

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING JUNE 22

Range 1936 High	Low	Div R'te $	Jne20 Y'ld %		Sales	Last June 15	Week end. June 22 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	4398	1.70	1.90	1.65	1.85
13	6½	.	...	D. pref. 6%	1535	9	10	8½	9½
12	6½	.	...	Do. cert. dep.	75	8½	9½	8	9½
4¼	4¼	.	...	Acadia Sugar	....	(4 bid — asked)			
17	14½	50c	2.9	Acme Glove	228	15	17	15½	17
97	95	6.50	6.7	Do. pref.	192	95	97	95	97
10	7½	40c	4.8	Agnew Surp.	15	7½	8½	8½	8½
107	102	7	6.8	Do. pref.	105	104	102½	102	102½
6	3	.	...	Alta. Pac. Gr.	35	4½	4	3½	4
30	25	.	...	Do. pref.	108	30	30	28	29
3	2	.	...	Amal. Electric	10	3	3	3	3
28	14	.	...	Do. pref.	....	(15 bid 20 asked)			
40¾	29¾	15c	...	Amer. Cyn. B.	50	34½	34	34	34
54¼	51¾	3.50	6.6	Ang. C. Tel., pf.	....	(53 bid — asked)			
32¼	17½	.	...	Asbestos v. t.	2509	28	32½	28	32
15	9½	60c	5.7	Assoc. Brew.	70	10½	10½	10½	10
110	104	7	6.7	Do. pref.	....	(106 bid — asked)			
35	34	.	...	Assoc. T. & T. p.	....	(35 bid — asked)			
106	105½	7	6.6	Atlan. Sugar, p.	....	(105 bid — asked)			
				B					
58¼	51½	2.25	3.9	Bank of Canada	187	57½	58	57½	58
140	133	8	5.8	Bk. Can. Nat.	134	137	139½	135	139½
214	182½	8	4.2	Bk. Montreal	94	189	191	189	191
300	271	12	4.2	Bk. N. Scotia	102	283	287	283	286
236	225	10	4.3	Bk. Toronto	18	226	229	225	226
13½	11	75c	...	Barcelona	....	(8 bid 11½ asked)			
17¾	10½	.	...	Bathurst Pr.	4370	14	14½	13¾	14½
5¾	3	.	...	Do. (B)	112	4½	4½	4	4½
4	1½	.	...	Bawlf Grain	20	2	2½	2	2½
26	24	.	...	Do. pref.	40	24	25	25	25
3	2½	.	...	Beath & Sons	....	(2½ bid — asked)			
10	9½	.	...	Beatty Bros. A.	125	9½	9¾	9¾	9¾
105	96	6	5.9	Do. pref.	110	101½	102	101	101
3¾	1¾	.	...	Beauharnois	933	2	2½	1¾	2½
110	106	4	3.6	Belding Cort.	....	(99 bid — asked)			
135	130	7	5.2	Do. pref.	....	(123¾ bid — asked)			
150	140	6	4	Bell Telephone	488	149½	150	147½	148½
36	30	1.25	...	Biltmore Hats	....	(34¾ bid 40 asked)			
110	110	7	6.4	Do. pref.	....	(106½ bid — asked)			
5	3½	.	...	Bissell, T. E.	50	4	4	4	4
50	33	.	...	Do. pref.	....	(42 bid 50 asked)			
5	3½	.	...	Blue Ribbon	....	(4 bid 4¾ asked)			
33	27	2	6.5	Do. pref.	101	32½	33	30½	30½
31¾	25½	2	7.8	Brant. Cord. pf.	155	30½	30½	25½	26
15½	9¾	30c	...	Brazilian Tr.	12372	12½	12¾	12½	12¾
1.45	.80	.	...	Brew. & Distil.	1825	1.05	1.05	.95	1.00
4½	2½	.	...	Brewing Corp.	2490	2½	2¾	2¾	2½
18½	13¾	1.50	9.8	Do. pref.	651	16	16	15	15
9	5½	30c	5.2	Bright, T. G.	....	(— bid 7½ asked)			
82	80	6	7.5	Do. pref.	....	(75½ bid — asked)			
27¾	16½	80c	3.2	Brit. Amer. Oil	16900	23¾	24¾	23¾	24¾
13	8¾	.	...	B. C. Packers	773	9	9½	9	9
32¾	28½	1.50	5	B. C. Power A.	1118	29¾	30	29½	30
5¾	3½	.	...	Do. (B)	128	4½	4½	4½	4½
16	9	1.20	13.3	Bruck S. Mills	465	9½	9½	9	9½
37½	33	1+25c	3.2	Building Prod.	431	34½	34¾	34	34¾
47¾	37½	2	4.9	Burt, F. N.	284	40½	41	40½	40¾
53	51	.	...	Burry Bis. pf.	135	..	53	51	51
				C					
86½	78	6	7.5	Calgary, Pr., pf.	....	(— bid 85 asked)			
6	4½	.	...	Canada Bread	100	4¾	4¾	4¾	4¾
97	90	1.25+50c	...	Do. pref. A	....	(95 bid 100 asked)			
44	30	.	...	Do. pref. (B)	50	36	36½	36	36½
10½	6½	40c	...	Canada Bud	2380	9½	10½	9½	10½
8	6	.	...	Canada Cement	1469	6½	6¾	6½	6½
75	58	.	...	Do. pref.	431	69½	69½	67½	67½
70	57	1.50+1	4.2	Can. & D. Sug.	30	60	60	58	58
b16½	10¾	.	...	Canada Dry	4309	14¾	14¾	14¾	14¾
7	3	.	...	Can. Forg. (A)	....	(3½ bid — asked)			
2	2	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	....	(— bid 50 asked)			
60	60	3	5	Do. pref.	....	(51 bid — asked)			
35	30½	1.50+50c	6.2	Can. Malting	527	32½	32½	31½	32
25¼	22½	1.20	4.9	Can. Nor. Pr.	235	24½	24½	24	24½
111	107¾	7	6.5	Do. pref.	73	110	109½	108	109½
93	80	3	3.6	Can. Packers	80	83½	83½	83½	83½
118	105	.	...	Can. Paper, pf.	....	(109 bid — asked)			
2	1¾	.	...	Can. Paving, pf.	....	(1¾ bid 3¾ asked)			
160	137½	8	5.3	Can. Perman.	65	150	150	148½	149½
3½	1	.	...	Can. Steamsh's.	20	1¾	1¾	1½	1½
15½	6½	.	...	Do. pref.	495	7	7	6½	6½
27½	19¾	1.20	6	Can. Vinegars	59	20½	20½	20	20½
27	20½	.	...	Can. W. Cable	50	26	26½	26½	26½
12½	9	.	...	Do. (B)	....	(9 bid 10 asked)			
102¾	98½	.	...	Do. pref.	....	(103 bid — asked)			
4	2	.	...	Can. Bakeries	....	(2 bid 3½ asked)			
57	42	.	...	Do. pref.	10	42	43	43	43
170	148	8	5.2	Can. Bk. Com.	191	154	154	153	153
41	31	1	2.6	Can. Bronze	30	39½	39	39	39
116	101½	7	6.5	Do. pref.	57	108	108	106	108
5½	4	.	...	Can. Canners	20	4½	4½	4½	4½
100	88½	6	6	Do. 1st pfd.	62	99	99½	99	99½
8½	5	.	...	Do. 2nd. pfd.	788	5½	5¾	5½	5½
8	5½	.	...	Can. Car. & Fd'y	7996	7	7¾	6½	7½
17¾	13	.	...	Do. pref.	3940	15½	16½	15½	16½
31½	25½	40c	...	Can. Celanese	3050	28½	29	28½	28¾
128	112	7	5.8	Do. pref.	4	120	121	121	121
21	18	.	...	Do. Rights	50	18½	20	18	20
30	22½	2	7.4	Can. Convert.	10	25	27	27	27
51	48	4	7.8	Can. Cottons	215	50	51	51	51
105	97	6	6	Do. pref.	9	100	100	100	100
49½	37	2+1	6.3	Can. Dredge	575	47	48	46½	47½
100	98¾	6	6.1	Can. Fairb., pf.	....	(92½ bid — asked)			
34	23½	1.60	5.5	Can. For. Inv.	25	29	29	29	29
107	105	8	7.5	Do. pref.	....	(— bid 107 asked)			
175	150	5	3.1	Can. Gen. Elec.	....	(153 bid 168 asked)			
8½	7½	40c	...	Can. G. Inv.	....	(7½ bid — asked)			
48	26	.	...	Can. Hyd. El. p.	779	31¾	35	31	35
12½	6¾	.	...	Can. Ind. Alc.	4495	7¾	7¾	7½	7½
11½	6	.	...	Do. (B)	960	6½	6½	6½	6½
225	221	4+75c	...	Can. Indust. B.	....	(221 Mar. 27)			
4	1	.	...	Can. Int. I. Tr.	....	(1½ bid 3 asked)			
65	35	.	...	Do. pref.	....	(55 bid — asked)			
23	20	1	5	Can. Lt. & Pr.	46	20¾	20	20	20
4	2½	.	...	Can. Locomo.	....	(— bid 3 asked)			
b2¾	1¾	.	...	Can. Marconi	2105	1¾	1¾	1¾	1¾
18	12	50c	4.2	Canadian Oil	25	12	12	12	12
130	123	8	6.2	Do. pref.	10	130	130	130	130
15¾	10¾	.	...	Can. Pacific	6984	12½	12¾	12½	12¾
.15	.15	.	...	C. Pr. & Pa. I.	....	(.15 bid .50 asked)			
7	4½	.	...	Do. pref.	....	(5 bid — asked)			
3¾	1½	.	...	Can. Vickers	70	2	2	2	2
25	12	.	...	Do. pref.	....	(— bid 15 asked)			
3¾	2	.	...	Can. Wineries	145	2¾	2¾	2½	2½
26½	21	1.50	...	Can. Wire Box.	15	23	25	25	25
101¾	100	5	4.9	Carnation, pf.	125	101	101¾	101½	101¾
2¾	2½	.	...	Catelli Food	....	(3½ bid — asked)			
15	13	38c	...	Do. pref.	5	13½	13	13	13
165	165	8	4.8	Cent. Can. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	1265	1.05	1.05	1.00	1.05
3.60	1.75	.	...	City Gas & Elec	....	(— bid 1.75 asked)			
.60	.25	.	...	Claude Neon	437	.25	.30	.25	.30
14½	12¾	92c	7	Coast Brew.	144	13½	13½	13	13
5½	4	.	...	Do. Rights	100	5¾	5½	5½	5½
9¾	6½	.	...	Cockshutt Plow	1710	6¾	7	6½	7
1.35	.65	.	...	Comm. Alcohol.	30	.80	.75	.75	.75
18¾	15½	80+10c	...	Cons. Bakeries	430	16½	16½	16	16
3¾	2	.	...	Cons. Paper	24989	3½	3¾	3½	3¾
9	5	.	...	Cons. Press	35	6¾	5	5	5
35	33	.	...	Cons. Sand. pf.	....	(31 bid — asked)			
57¾	51	50c	...	Cons. Smelters	4171	56	56	55	55
205½	189	10	4.9	Consumers' Gas	184	202	203	202	203
90	78	7†	8.6	Corr. P. Box, p.	5	82	81	81	81
22¾	17½	80c	4	Cosmos Imp.	307	20	20½	19¾	20½
105	102	5	4.8	Do. pref.	25	105	105	105	105
17	15	80c	5	Crown Cork	110	16½	16	16	16
2¾	2	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
35	30	3	...	Crow's N. Coal.	22	35	32	33	32
				D					
4	2	.	...	David & Fre. A	....	(2½ bid 2¾ asked)			
1½	½	.	...	Do. (B)	....	(— bid ½ asked)			
7	2	.	...	De Havilland	120	4	3½	3½	3½
68	40	.	...	Do. (A)	....	(3½ bid 4 asked)			
4	4	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
34¾	18½	.	...	Distill-Seagram.	4135	22¾	23½	22	22½
222½	190	10	4.9	Dom. Bank	7	207	206	202½	205
40½	32	1.20	3.1	Dom. Bridge	2032	38½	39½	38	38
17¾	14	1.50	9.5	Dom. Coal, pf.	1925	15½	16½	15	15½
36	26½	.	...	Dom. Engineer	27	35½	34	33	33
41	32	.	...	Dom. Foundries	....	(32 bid 40 asked)			
115	106	5	4.5	Dom. Glass	45	111	111	111	111
150	135	7	4.7	Do. pref.	100	150	150	150	150
35¾	33	.	...	Dom. Oilcloth	75	34	34	34	34
100	95	7	7.4	Dom. Rubber, p	....	(92 bid — asked)			
8	3½	.	...	Dom. St. & C. B.	2177	4¾	4¾	4½	4¾
12	8	.	...	Dom. Stores	590	9½	9½	9	9
7½	4¾	.	...	Dom. Tar & Ch.	193	6	6	5½	5½
80	57	.	...	Do. pref.	117	77	78	75½	78
79	62	5	8.1	Dom. Textile	425	63	64	62	63
148	144	7	4.8	Do. pref.	....	(— bid 146 asked)			
9½	4¾	.	...	Donnacona P. A.	1518	6	7½	5¾	7½
7½	3¾	.	...	Do. (B)	427	5	6½	5½	6½
7	4¾	.	...	Dryden Paper	215	5	5½	5½	5½
				E					
2½	1	.	...	East. Koot. Pr.	....	2½			
16	5	.	...	Do. pref.	....	(8 bid 14 asked)			
3½	1¾	.	...	East. Dairies	25	2	1¾	1¾	1¾
16½	11	.	...	Do. pref.	....	(— bid 14 asked)			
13½	10	.	...	East. Steel	200	13	13	13	13
101	80	7	7	Do. pref.	25	98	100	100	100
85	80	7	8.7	East. Theat., pf.	....	(76 bid 85 asked)			
3	1½	.	...	Easy Washing	430	2½	3	2½	3
24	20	62½c	...	Economic Inv.	....	(23 bid 24½ asked)			
26½	19½	1.60+10c	...	Electrolux	505	23	23	23	23
3	1½	.	...	Enam. & Heat.	30	1½	1	1	1
24	10½	.	...	Eng. Electric	25	19	19½	19½	19½
12½	4	.	...	Do. (B)	85	8	8	4	8
7	7	.	...	European El. A	25	..	7	7	7
.35	.35	.	...	Do. Warrants.	....	(15 bid — asked)			
				F					
21½	18	.	...	Fam. Players	48	20	20	20	20
20	14	.	...	Do. Vot. Tr.	....	(18 bid 23 asked)			
17½	13½	50c	3.7	Fanny Farmer	1740	13¾	13¾	13½	13¾
28½	20½	75c	3.6	Ford Motors A	5731	22	22½	20½	20½
3.00	.65	.	...	For. Pr. Secs.	170	1.00	.65	.65	.65
18¾	13	.	...	Foundation Co.	160	14¾	14½	14	14½
19½	9	.	...	Fraser Cos.	469	13½	13½	13	13
19	8	.	...	Do. Vot. Tr.	630	12¾	12¾	12	12¾
.74	.25	.	...	Do. Rights	15566	.50	.55	.30	.31
60	55	6	10.7	Freiman, pf.	10	60	56	56	56
8	2¾	.	...	Frost Steel	....	(— bid 5 asked)			
100	89	3.50	...	Do. pref.	5	94	94	94	94
				G					
5¾	3	.	...	Gen. St. Wares	460	3	3½	3	3½
65	45	.	...	Do. pref.	116	47	47	45	46
73	64¾	2.50	3.6	Goodyear Tire	156	69¾	70	69	69½
58	53½	2.50	4.3	Do. pref.	205	58	58	57¾	58
3	1	.	...	Gt. W. Saddlery	....	(1½ bid 2½ asked)			
20	18	.	...	Do. pref.	....	(18 bid 23 asked)			
8½	5½	.	...	Gurd, Chas.	300	6½	6½	5½	5½
100	100	.	7	Do. pref.	....	(93½ bid 100 asked)			
8½	5½	.	...	Gypsum, Lime	487	6½	6½	6½	6½
				H					
6¾	4	.	...	Ham. Bridge	940	5½	5½	4¾	5¾
39¾	25½	.	...	Do. pref.	60	39½	37½	37	37½
29½	25½	2	6.8	Ham. Cot., pf.	....	(28½ bid 29 asked)			
1	¾	.	...	Ham. U. Theat.	....	(1½ bid 2 asked)			
53	50	4	7.6	Do. pref.	5	52½	52½	52½	52½
4	2¾	.	...	Harding Carpet.	700	3¾	4	3¾	4
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
16	7	.	...	Do. pref.	....	(7 bid 15 asked)			
15½	12	50c	...	Hinde & Dauch.	195	13	13	13	13
7	6	.	...	Holt Renfrew	5	7	7	7	7
40	30	.	...	Do. pref.	....	(35 bid 40 asked)			
.70	.40	.	...	Honey Dew	575	.50	.50	.50	.50
12	7	.	...	Do. pref.	....	(10 bid 12 asked)			
14¾	9½	.	...	H. Smith Pap.	1099	9½	11½	9½	11
119	88	1.50	...	Do. pref.	473	90	91	90	91
35	29½	2	6.8	Humberstone S.	10	30	29½	29½	29½
7½	4½	.	...	Hunts (A)	175	6	7½	6	7½
7½	6	.	...	Do. (B)	50	6	7½	7½	7½
90	74	5	6.7	Huron & E. Mt.	....	(75 bid — asked)			
12¾	10	.	...	Do. 20% pd.	150	11	10	10	10
10½	6½	.	...	Hydro Electric	....	(6½ bid 7½ asked)			
				I					
221	198	10	4.7	Imperial Bank.	74	210	211	210	211
24½	20½	50+75c	5.9	Imperial Oil	15118	21	21½	20¾	21½
14½	13½	52½c	3.7	Imperial Tob.	1655	14	14½	13¾	14
7¾	7	6%	...	Do. pref.	....	(7½ bid — asked)			
30	19	1	...	Inter. City Bak.	....	(26½ bid 30 asked)			
45	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	(115 bid — asked)			
b5½	2¾	.	...	Int. Hyd. E. A.	4302	3	3½	3	3½
7½	4	.	...	Int. Metal Ind.	70	6	6	6	6
42	30	.	...	Do. pref.	35	40	40	39½	39½
105¾	101	5	4.9	Inter. Mill., pf.	75	101	102¾	102	102¾
54	43½	1.20	2.4	Inter. Nickel	46823	47¾	49¾	47¾	49¾
6	2½	.	...	Inter. Paints	55	3	3½	3½	3½
29½	19	1.12½▲	...	Do. pref.	....	(— bid 19 asked)			
b7¾	3¾	.	...	Int. Pa. & P. A.	1302	4¾	5½	4¾	5
b4	2½	.	...	Do. (B)	403	2½	3	2¾	3
b3½	1¾	.	...	Do. (C)	1502	2	2½	2½	2½
b36¾	20½	.	...	Do. pref.	16334	29¾	31¾	30	30¾
39¾	33¾	1.50+1	6.8	Inter. Pete.	10337	36½	37	36½	36¾
6	3½	.	...	Inter. Power	15	4	4	3½	3½
91	57	6	6.6	Do. pref.	254	85½	91	86	90
15½	13	.	...	Int. St. Rly. A.	25	13½	13	13	13
14½	3¾	.	...	Int. Util. (A)	95	9½	10½	9¾	9¾
2.25	.40	.	...	Do. (B)	575	1.05	1.25	1.10	1.15
				J					
36	33	1.50	4.2	Jam. Pub. Ser.	....	(35 bid — asked)			
127	123½	7	5.5	Do. pref.	10	127	127	127	127
				K					
9	6½	.	...	Kelvinator	35	6¾	6¾	6¾	6¾
107	105½	7	6.6	Do. pref.	....	(105½ bid — asked)			
				L					
22	16½	.	...	Lake of Woods.	147	20½	20½	19½	19½
143	123	1.75	...	Do. pref.	10	138	143	140	143
58	54	5	9.2	Landed Bank	....	(50 bid 82 asked)			
3	3	.	...	Langley's	....	(1½ bid 4 asked)			
50	35	.	...	Do. pref.	....	(40 bid 50 asked)			
69	64½	3	4.3	Laura Secord	40	69	69	67	67
4	2	.	...	Lindsay, C. W.	279	3	3½	3	3½
41¾	40	.	...	Do. pref.	....	(47 bid 55 asked)			
21	18¾	1	4.8	Loblaw (A)	2006	20¾	21	20¾	20¾
19	17½	1	5.3	Do. (B)	1484	18¾	18¾	18¾	18¾
				M					
4	4	.	...	Manitoba Pr.	65	4	4	4	4
.50	.50	.	...	M. L. Gardens	....	.50 bid 1.50 asked			
4	2½	.	...	Do. pref.	....	(3 bid 4 asked)			
2.25	1.00	.	...	Maple Leaf	76	1.05	1.25	1.05	1.25
5¾	2	.	...	Do. pref.	128	2¾	3½	2½	3½
*12¾	12	60c	...	Maritime Tel.	....	(3¾ bid — asked)			
*15	14½	70c	...	Do. pref.	....	(14¾ bid — asked)			
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	...	Do. pref.	....	115 bid 119 asked			
7½	4½	.	...	Massey-Harris	2075	5	5¾	5½	5¾
40	29½	.	...	Do. pref.	450	32½	34½	32½	34
17¾	12½	80c	5.3	McColl Fron.	1824	14¾	15½	14¾	15
105	96½	6	5.8	Do. pref.	326	103	103¾	103	103
13¾	9	50c▲	...	Melchers (A)	2440	11½	12½	11	11
5¾	3½	.	...	Do. (B)	285	4	4	3½	3¾
13½	9	.	...	Mercury Mills, p	....	(10 bid 12 asked)			
36	30	1	...	Mitchell, J. S.	....	(30 bid — asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	20	5¾	6½	6	6½
5	3	.	...	Monarch, Knit.	....	(3½ bid — asked)			
95	85	7	7.9	Do. pref.	5	88	88	88	88
35	26	.	...	Montreal Cot.	....	(30 bid — asked)			
100	85	7	7.5	Do. pref.	....	(90 bid 95 asked)			
2½	1¾	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.8	Mont. L. & Pr.	5986	31	31½	30½	31
26	26	2	7.7	Montreal Loan	....	(26 bid 36 asked)			
9	9	.	...	Mtl. Ref. & S.P.	....	(9 bid — asked)			
2	2	.	...	Do. Vot. Tr.	....	(2 bid — asked)			
60	55½	3.20	5.7	Montreal Tele.	....	(56 bid — asked)			
103	85	9	9.7	Montreal Trams	58	93	94	93	93
39	27½	1	2.7	Moore Corp.	604	37	38	37	37½
165	146	7	4.4	Do. pref. (A)	10	157¾	158	157	158
230	175	7	3.1	Do. pref. (B)	10	215	225	225	225
1.00	.25	.	...	Muirheads	....	(.40 bid .60 asked)			
3½	3	.	...	Do. pref.	....	(3½ bid 6½ asked)			
				N					
45	37	2	4.4	Nat. Breweries.	2813	45	45	44¾	45
43	39¾	1.75	4.4	Do. pref.	165	40	40	40	40
7¾	5	.	...	Nat. Grocers	222	5¾	6	6	6
135	130	7	5.3	Do. pref.	10	130	133	133	133
20	16¾	.	...	N. Sew. Pipe A.	40	17	17	17	17
17½	13	.	...	Nat. Steel Car.	475	14	14¾	14½	14½
205	196	8	3.8	National Tr.	....	(210 bid 215 asked)			
57½	34	75c	...	Niag. W. Weav.	....	(55 bid — asked)			
60	56	3	5.3	Do. pref.	152	56	59	59	59
1.75	.90	.	...	North Star Oil.	75	1.55	1.55	1.55	1.55
4.00	3.15	8¾c▲	...	Do. pref.	275	3.85	3.75	3.50	3.50
75	61	3	4	N. S. L. & Pr.	....	(84½ bid — asked)			
102¾	100¾	6	5.9	Do. pref.	....	(101¾ bid — asked)			
				O					
240	199½	8	3.6	Ogilvie Flour	31	220	225	220	225
165	152	7	4.3	Do. pref.	25	165	161	161	161
10	6	.	...	Ont. Eq. 10% pd.	25	6	6	6	6
112½	109	6	5.3	Ontario Loan	....	(112 bid 115 asked)			
14½	7	.	...	Ont. Silknit	25	7	7	7	7
90	75	7	9.3	Do. pref.	....	(75 bid 80½ asked)			
8	6	.	...	Ont. Steel	....	(4 bid 6 asked)			
85	74	.	...	Do. pref.	....	(— bid 85 asked)			
.40	.25	.	...	Orange Crush	490	.35	.35	.35	.35
22	6	.	...	Do. 1st pref.	13	20	21	21	21
.75	.40	.	...	Do. 2nd pref.	....	(20½ bid 22 asked)			
95	88	6	6.5	Ott. L. H. & Pr.	16	94	93½	92	92
110	101½	6.50	6	Do. pref.	....	(— bid 106½ asked)			
21	15	2	12.1	Ott. Traction	10	15	16½	16½	16½
				P					
95	78½	3	3.4	Page Hersey	100	90	89¾	87½	89¾
6¾	3½	.	...	Pantepec Oil	770	5¾	5¾	5½	5¾
25	18	.	...	Paton Mfg.	....	(— bid 26 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.8	Penmans	....	(52 bid — asked)			
125	118	6	4.9	Do. pref.	....	(123 bid — asked)			
27	21½	1	4.4	Photo Eng.	100	22	22½	22½	22½
97	85	7	7.7	Porto Rico Pr. p	....	(— bid 84 asked)			
18¾	11¾	.	...	Power Corp.	1226	14	14½	13¾	14½
101	97½	6	6	Do. pref.	10	99½	99½	99½	99½
2½	1½	.	...	Prairie C. Oil	55	1½	1½	1½	1½
29½	19	87½+12½c	...	Pressed Metals	10	27½	28	28	28
6½	2¾	.	...	Price Bros.	230	3	4	4	4
40	22	.	...	Do. pref.	1095	23	28	23	28
				Q					
18	14	1	6.2	Quebec Power	140	16½	16½	16	16
				R					
*58	40	2	...	Real Estate L'n.	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	495	4½	5	4¾	5
15½	12½	.	...	Do. pref.	170	15	15½	15½	15½
10	6	.	...	Reliance Grain	....	(— bid — asked)			
21½	19½	.	...	Remington R'd	100	21¾	19½	19½	19½
31	29	2.25c▲	6.7	River. S. Mills.	320	31	30	29½	30
6½	4	.	...	Rogers Majest.	600	4	4½	4	4
104	95½	6	6	Rolland P., pf.	26	100	100	99½	99
182	164	8	4.6	Royal Bank	252	170	174	169½	173
35	30	.	...	Russell Motor	....	(45 bid — asked)			
115	100	7+1▲	6.4	Do. pref.	20	109	109	109	109
				S					
11	6	.	...	Sarnia Br. (A)	....	(6½ bid — asked)			
3	1½	.	...	Do. (B)	....	(2 bid 3 asked)			
23½	19	60c	3.1	Shawinigan	1440	19½	19½	19	19½
20	16	.	...	Sher. Wms.	15	16½	16½	16½	16½
127½	115	7+1.75▲	...	Do. pref.	105	115	115	115	115
12	10	.	...	Simon & Son	....	(9¾ bid 10½ asked)			
93	85	7▲	...	Do. pref.	....	(90 bid 95 asked)			
80	73	4	5.3	Simpson, Ltd.	45	75	75	75	75
12	10½	.	...	Do. (A)	....	(— bid 11 asked)			
9	4	.	...	Do. (B)	....	(7 bid 8½ asked)			
117½	111½	6	5.1	Simpson, R., pf.	25	115	117	117	117
14	11	80c	6.7	So. Can. Pr.	35	11¾	12	11¾	12
100½	98	6	6.1	Do. pref.	91	100½	100½	98½	99
2.75	1.50	.	...	St. Law. Corp.	5860	1.95	2.50	2.00	2.50
13½	8	.	...	Do. (A)	7730	10½	13½	10½	13½
51	40	2	3.9	St. Law. Flour.	....	(50 bid — asked)			
130	120	7	5.4	Do. pref.	60	125	130	130	130
34¾	20½	.	...	St. Law. Pap. p	4035	29½	34¾	29¾	34
10	6¾	.	...	Stand. Chem.	....	(8½ bid 9¾ asked)			
2	2	.	...	Stand. Clay	....	(3½ bid — asked)			
3.75	1.15	.	...	St. Pav. & Mat.	125	2.37	3.25	2.00	2.25
22	12	.	...	Do. pref.	5	18	15½	15½	15½
35	20	.	...	Stand. Steel, pf.	....	(34 bid — asked)			
67½	57	1.75‡	2.7	Steel of Can.	1946	63½	64½	63½	64
60½	49½	1.75	3	Do. pref.	1675	56¾	58½	56¾	58½
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
2½	½	.	...	Stop & Shop	....	(½ bid 1 asked)			
2½	2	.	...	Supersilk H.	....	(2¾ bid 3½ asked)			
72	69	3.50	...	Do. pref.	....	(66 bid 70 asked)			
38	30	1	2.8	Sup. Pete. ord.	60	34½	35¾	35	35¾
35	32	1	2.8	Do. com.	....	(33½ bid 40 asked)			
				T					
40	32½	.	...	Tamblyn	30	38½	37	37	37
114	110	7	6.4	Do. pref.	30	111	112	110	110
5	1½	.	...	Thayers	200	2	2	2	2
37	28	.	...	Do. pref.	125	30	28½	28	28½
3	1½	.	...	Thrift Stores	....	(— bid 2 asked)			
10	5	.	...	Do. pref.	10	8½	5	5	5
11	8½	.	...	Tip Top Tailors	....	(9 bid 9½ asked)			
106	102	7	6.6	Do. pref.	120	106	106	105	106
1	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	....	(— bid 20 asked)			
40	34	1	2.8	Tor. Elevators	....	(34 bid 38 asked)			
119	109	7	6.2	Do. pref.	35	114	114	112	112
95	84	4	4.7	Tor. Gen. Tr.	....	83½ bid 89½ asked			
120	115	6	5	Toronto Mtge.	....	(120 bid — asked)			
155	150	7	4.7	Tuckett Tob., p.	....	(150 bid — asked)			
12½	8	.	...	Twin City	28	8½	9½	9	9½
				U					
12½	9	10c	...	Union Gas	3437	10¾	12	10½	11½
20	15	30c	...	Un. Amuse. A.	....	(19 bid — asked)			
.95	.50	.	...	United Distill.	....	(— bid .65 asked)			
29	20	.	...	United Fuel, pf.	277	22	24	22	24
25	20	2	8.7	United Secs.	....	(24½ bid — asked)			
4½	2½	.	...	United Steel	170	2¾	2½	2¾	2¾
				V					
3½	2	.	...	Viau Biscuit	....	(2½ bid 2½ asked)			
38	18	.	...	Do. pref.	....	(31 bid 39 asked)			
				W					
31½	20	.	...	Wabasso Cot.	5	23	20	20	20
34¾	28½	3	6.8	Walker-Good.	2425	28½	29¾	28	28¾
19	17½	1	5.5	Do. pref.	2031	18	18½	18	18½
3¾	2	.	...	Walkerville Br.	465	2½	2½	2½	2½
2½	1	.	...	Waterloo Mfg.	85	1½	1	1	1
10	4½	.	...	West. C. Flour	47	4¾	5¾	5¾	5¾
65	36	.	...	Do. pref.	10	42	47	43	47
52	46½	2	3.9	West. Grocers	15	50	52	52	52
110¾	107	7	6.5	Do. pref.	7	110	108	108	108
17¾	13½	80c	5.3	Weston Ltd.	915	15	15¾	14¾	15
102	98	5	5	Do. pref.	78	99¾	100½	99½	100½
1.15	1.15	.	...	Windsor Hotel	....	(1.15 bid — asked)			
4½	4	.	...	Do. pref.	....	(4 bid 6 asked)			
4½	2¾	.	...	Winnipeg Elec.	350	3½	3½	2¾	2¾
18	10	.	...	Do. pref.	60	13	13	13	13
53	38	.	...	Wood, A. & J. p	....	(— bid 47 asked)			
67½	50	.	...	Woods Mfg., pf.	....	(50 bid — asked)			
				Z					
3½	2¾	.	...	Zimmerknit, c.	100	3	3½	3½	3½
69	60	3.50▲	...	Do. pref.	....	(65 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.

▲ On account of arrears.

b New York quotations.

§ Plus one-eighth share of preferred stock, plus one share of common stock, all payable in settlement of arrears.

‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
June 23, 1936

Dominion of Canada Bonds

	Rate	Due	Bid June 23	Asked June 23	Approx. Yield	Bid June 17
†‡Dominion	5	1 Mar. 1937	103.00	103.45	...	103.05
‡Dominion	5½	1 Dec. 1937	106.80	107.15	.47	106.75
Dominion	2½	15 Oct. 1939	103.60	104.10	1.24	102.90
Dominion	4	15 Oct. 1939	108.10	108.60	1.34	107.90
Dominion	2	15 Nov. 1939	102.20	102.70	1.20	101.50
Dominion	1½	1 June 1940	100.00	100.50	1.37	99.85
Dominion	4½	1 Sept. 1940	110.50	111.00	1.76	110.55
Dominion	5	15 Nov. 1941	114.50	115.00	2.08	114.50
Dominion	3	15 Oct. 1942	105.60	106.10	1.97	105.50
Dominion	2½	1 June 1943	103.00	103.50	1.98	103.00
Dominion	5	15 Oct. 1943	115.50	116.00	2.58	115.50
Dominion	4½	15 Oct. 1944	113.65	114.15	2.60	113.65
▪Dominion	2½	15 Aug. '43-45	99.35	99.85	2.52	99.35
Dominion	4	15 Oct. '43-45	109.35	109.85	2.52▲	109.35
Dominion	4½	1 Feb. 1946	113.65	114.15	2.82	113.65
Dominion	3½	15 Oct. '44-49	105.60	106.10	2.68▲	105.50
Dominion	4	15 Oct. '47-52	108.35	108.85	3.08▲	108.50
Dominion	3	1 June '50-55	99.80	100.25	2.98▲	99.65
Dominion	4½	1 Nov. '46-56	111.25	111.75	3.18▲	111.50
Dominion	4½	1 Nov. '47-57	111.25	111.75	3.27▲	111.50
Dominion	4½	1 Nov. '48-58	111.75	112.25	3.30▲	111.85
Dominion	4½	1 Nov. '49-59	111.85	112.35	3.36▲	112.00
▪Dominion	3¼	15 Jan. '56-61	101.20	101.75	3.13▲	101.50
Dominion	3¼	1 June '56-66	100.35	100.85	3.20▲	100.30

Dominion Guaranteed Bonds

	Rate	Due	Bid June 23	Asked June 23	Approx. Yield	Bid June 17
*G. T. P. Ry.	3	1 Jan. 1962	99.75	100.75	2.96	99.75
Can. N. Ry.	3	1 May 1944	103.75	104.75	2.34	103.75
Can. N. Ry.	3	15 Dec. '45-50	99.25	100.25	2.97▲	99.25
Can. N. Ry.	3	15 Feb. '48-53	99.00	100.00	3.00	99.25
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.15	115.75
*Can. N. Ry.	4½	1 Feb. 1956	116.00	117.00	3.33	116.25
†Can. N. Ry.	4½	1 July 1957	113.50	114.50	3.53	113.50
*Can. N. Ry.	4¾	15 June 1955	118.00	119.00	3.38	118.25
Can. N. Ry.	5	1 Feb. 1954	117.75	118.75	3.58	118.00
*Can. N. Ry.	5	1 July 1969	118.25	119.25	2.88▲	118.25
*Can. N. Ry.	5	1 Oct. 1969	120.50	121.50	3.32▲	102.50
*M. Harb. C.	5	1 Nov. 1969	120.50	122.00	3.27▲	120.50

Provincial Government Bonds

	Rate	Due	Bid June 23	Asked June 23	Approx. Yield	Bid June 17
Eastern—						
N. Bruns.	4	1 Sept. 1954	105.00	106.00	3.56	105.00
†N. Bruns.	4½	15 Apr. 1961	110.75	111.75	3.77	110.75
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.93	115.50
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.25	109.25	3.01	108.50
†N. Scotia	4½	15 Sept. '47-52	110.25	111.25	3.32▲	110.00
†N. Scotia	5	1 Mar. 1960	117.00	118.00	3.84	117.00
*Ontario	4	1 June 1962	106.50	108.00	3.53	107.00
*Ontario	4½	1 Sept. 1944	112.00	113.50	2.65	112.00
Ontario	4½	1 June 1950	111.00	112.00	3.42	111.25
*Ontario	4½	15 Jan. 1962	113.00	114.50	3.63	113.00
Ontario	5	15 Oct. 1948	114.75	115.75	3.44	114.75
*Ontario	5	2 Dec. 1960	119.50	121.00	3.69	119.50
Ontario	5½	1 July 1946	116.50	117.50	3.42	116.75
O. H. C.	3½-4-5	1 Oct. '36-52	102.00	103.00	4.21•	102.25
Ont. Hyd. C.	4¾	1 Jan. 1970	113.50	115.00	3.94	113.50
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1962	107.00	108.00	3.35	107.00
Quebec	4¼	1 Aug. 1958	110.00	111.00	3.54	110.00
Quebec	4½	2 Jan. 1963	111.50	113.00	3.73	111.50
Western—						
Alberta	4	15 Dec. '49-54	65.00	70.00	...	65.00
†Alberta	4	1 Dec. 1957	65.00	70.00	...	65.00
Alberta	4½	1 Oct. 1951	70.00	75.00	...	70.00
†Alberta	4½	1 Oct. 1956	68.00	72.00	...	68.00
†Alberta	5	1 Jan. 1948	68.00	73.00	...	68.00
Alberta	5	1 Sept. 1955	68.00	72.00	...	68.00
*Alberta	5	1 Oct. 1959	68.00	73.00	...	68.00
†Alberta	5½	1 Jan. 1947	70.00	75.00	...	70.00
Alberta	6	1 Mar. 1947	72.00	76.00	...	73.00
†Brit. Col.	4	1 Dec. 1957	81.00	84.00	5.25	83.00
*Brit. Col.	4½	15 Jan. 1951	88.00	90.00	5.49	89.00
†Brit. Col.	4½	1 Oct. 1953	87.00	89.00	5.48	88.00
†Brit. Col.	5	15 Jan. 1948	89.00	92.00	5.94	92.00
Brit. Col.	5	1 Sept. 1953	88.00	91.00	5.82	90.00
Brit. Col.	5½	1 Feb. 1945	91.00	93.00	6.57	92.00
Brit. Col.	6	15 Feb. 1947	92.00	94.00	6.78	94.00
Manitoba	4	2 Jan. 1950	95.00	97.00	4.28	97.00
†Manitoba	4	1 Dec. 1957	95.00	97.00	4.22	97.00
†Manitoba	4½	15 Dec. 1956	98.00	100.00	4.50	100.00
†Manitoba	5	15 June 1954	103.00	105.00	4.58	106.00
*Manitoba	5	2 Dec. 1959	105.00	108.00	4.45	107.50
Manitoba	5½	1 Oct. 1955	101.00	103.00	5.25	104.00
Manitoba	6	1 Apr. 1947	101.00	103.00	5.63	104.50
Sask.	4	15 Aug. 1953	81.00	83.00	5.52	83.00
Sask.	4	1 Nov. '55-60	79.00	81.00	5.41	82.00
*Sask.	4½	2 July 1945	90.00	93.00	5.50	93.00
†Sask.	4½	1 Oct. 1951	90.00	92.00	5.27	92.00
†Sask.	4½	15 Mar. 1960	87.00	90.00	5.23	89.00
Sask.	5	1 Aug. 1958	89.00	92.00	5.63	90.00
†Sask.	5½	15 Nov. 1946	93.00	96.00	6.02	95.00
Sask.	5½	1 Oct. 1952	93.00	96.00	5.88	95.00
Sask.	6	15 Mar. 1952	95.50	97.50	6.25	98.00

Municipal Bonds

	Rate	Due	Bid June 23	Asked June 23	Approx. Yield	Bid June 17
†Halifax	5	1 July 1961	113.50	115.00	4.04	113.50
Hamilton	5	1 May 1950	108.75	110.75	3.98	108.75
Montreal	5	1 Mar. 1945	101.00	103.00	4.57	102.00
Ottawa	4½	1 July 1945	110.50	112.50	2.91	109.50
†Quebec	5	1 June 1959	106.00	107.50	4.47	106.00
St. John	5	15 Dec. 1950	107.50	109.00	4.17	107.50
†Toronto	4½	1 Jan. 1955	111.50	113.50	3.50	111.50
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.53	103.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Corporation Bonds

(Supplied by Toronto Bond Traders' Association)
June 23, 1936

	Int. Rate %	Due	Bid June 23	Asked June 23	Bid June 16
Public Utility Issues:					
Ass. Tel. & Tel.	5½	'55	85½	88½	85½
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois P.	5	'73	29	32	28½
Do. L. H. & P.	5½	'73	90	93	87
*Bell T'phone	5	'55	115½	118½	114½
*Do.	5	'57	119½	122½	119½
†B. C. Power	5	'60	104½	107½	104
†Do.	5½	'60	106½	109½	106
B. C. T'phone	5	'60	106½	109½	106½
†Calgary Power	5	'60	98½	101½	99½
Do.	5	'64	95	98	96
†Can. Nor. Pwr.	5	'64	103	105½	103
Dom. Gas & El.	6½	'53	92½	93½	91½
*Gatineau Pr.	5	'56	97½	100½	97½
*Do., A	6	'41	96	99	95½
*Do., B	6	'41	95½	98½	94½
*Int'l. Hydro	6	'44	45	48	42
Int'l. Pwr.	6	'57	96	99	95½
Do.	6½	'57	98½	101½	100
†Maclaren-Que.	5½	'61	77	80	77½
Maclaren-Que.	5½	'64	76	79	76½
†Mtl. Island Pr.	5½	'57	104½	107½	104
†Mtl. L. & H. Pr.	3½	'56	102	105	102½
Montl. Tram.	5	'41	102	105	102
Do.	5	'55	81½	84½	82
Nat'l. L. & P.	6	'49	98½	101½	98
†N.S. L. & P.	5	'58	105	108	105
†Ottawa Light	5	'57	107	110	107
Ottawa Tract.	5½	'55	99	102	100
Ottawa Val. Pr.	5½	'70	73½	76½	73
†Power Corp.	4½	'59	98½	101½	96
*Quebec Pr.	5	'68	105½	108½	105½
Saguenay Pr.	4½	'66	101	104	100½
†Shawinigan	4	'61	97½	100½	97½
Do.	4½	'70	103½	106	103½
South. Can. Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	83	86	83
*Winnipeg Elec.	6	'54	81½	84½	81½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	48	51	46
†Acadia Sugar	4½	'55	101	104	100½
†Alta. P. Grain	6	'46	99	102	98
†Asbestos Corp.	5	'42	105	...	105
B. A. Oil	4	'45	104½	107	104½
Can. Biscuit	6½	'46	24	28	25
Can. Bread	6½	'41	108½	111½	108½
†Can. Cement	5½	'47	106	108½	106
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	102½	...	102½
Do.	6	'41	54½	57½	55
*Can. Int. Paper	6	'49	91	94	89½
C. P. R.	3½	'51	95½	98½	95
Do.	4	'49	103½	106	103½
Do.	4½	'44	100	102½	100
Can. Rail & H.	6½	'51	63	68	62½
†Can. Vickers	6	'47	91½	94½	89½
Cons. Paper	5½	'41	45½	48½	41½
Dom. Coal	5	'40	94	...	94
†Dom. Tar	6	'49	104½	107	104½
†Donnacona P.	5½	'48	75	78	74
†East. Dairies	6	'49	84½	87½	84½
†Federal Grain.	6	'49	100	103	100
Fraser Cos.•	6	'50	117½	120½	117
†G. Steel Wares	6	'52	102	105	102½
Gt. Lakes Pwr.	6	'50	53	56	53
†Gypsum, Lime	5½	'48	98	101	98
Ham. Cottons	5½	'48	102½	105½	102½
Ham. B. P. C.	5	'50	98	101	97½
*Hinde & Dauch	5½	'48	102½	105½	102½
Int. P. & P. N.	5	'68	107½	...	107½
Inter. City Bak.	5½	'48	103	...	103
Inter City W. B.	6½	'50	36	39	34
Kingston Elev.	6	'50	95	98	96
Lake St. John P. & P.	6½	'47	108	111	104
Do.	6	'42	72	75	65
†Lon. Can. Inv.	4½	'48	89	92	89
Maple Leaf M.	5½	'49	49	52	46
†Massey Harris.	5	'47	88½	91½	88
Industrial and Realty Issues:					
McColl-Front.	6	'49	104½	107	104½
†Mercury Mills.	5½	'53	58	61	59
M. & O. Paper	6	'45	37½	40½	33½
Mont. D. Docks	6	'48	80½	83½	81
Nat. Grocers	4	'36-47	...	...	100½
Nor. Ont. Bldg.	6½	'39	95	99	96
Price Bros. bds.	6	'43	124½	127	124½
*Prov. Paper	5½	'47	101½	104½	101½
Queen's Hotel.	6	'47	94	98	94
*Reliance Grain	6	'48	103	106	103
Restigouche	6	'48	99½	102	99½
Rich. B. Bldg.	6½	'47	99	102	99
†Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	94½	...	94½
†Rolland Paper.	5½	'48	104½	107½	104½
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	6	'49	105	107½	104½
†Smith, Howard	5½	'53	105½	108½	105½
‡Steel of Can.	6	'40	112½	115	112½
Twin City Rapid Tr'sit.	5½	'52	82	85	81
United Amuse.	5	'46	98½	101½	98½
United Corp.	5	'53	93	96	94
Unit. Grain G.	5	'48	98	101	98
Do.	5½	'49	102	105	102
Union Gas	4½	'43-50	97	100	...
Western Grain.	6	'49	82	85	82
Zimmerknit	6	'51	99	102	99

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S. •Unstamped.

Mining Dividends

	Rate	Close June 22	Yield %
Anglo-Huronian	20c	5.50	..
Beattie Gold	†5c	1.45	..
Bralorne	20c+5c	7.90	..
Buff. Ankerite	20c	7.50	2.6
Bulolo Gold	‡$1.40	32.50	..
Cariboo	10c	1.65	6.1
Central Patricia	†4c	3.92	..
Coniagas†	12½c	3.40	..
Cons. Smelters	30c	55.00	..
Dome Mines	$2+$2	56.87	7.0*
Falconbridge	30c	8.15	3.7
Hollinger	65c+15c	15.62	5.1*
Howey Gold	5c	.82	..
Hudson Bay	$1	25.00	..
Island Mountain	‡5c	1.60	..
Int. Coal & Coke‡	1c	.20	..
Inter Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	49.75	2.4
Kerr Lake	5c	.60	..
Kirk. Lake‡	3c	.62	..
Lake Shore	$4	58.25	6.8
Little L. Lac	10c	6.50	..
Macassa	15c	4.50	..
McIntyre	$2	43.62	4.5
McKenzie R. Lake	†3c	1.95	..
McKinley Sec.	2½c	.63	..
McWatters Gold†	5c	1.60	..
Nipissing	25c	2.45	..
Nor. Can. Mining	2c	.53	..
Noranda	‡$1.25	59.00	..
Pickle Crow	10c	6.25	..
Premier	12c+1c	2.40	5.4*
Pioneer, B.C.	80c	8.75	9.2
Reno	12c	1.27	9.4
San Antonio	21c	2.55	8.1
Sheep Creek	†2c	.75	..
Siscoe	20c	3.59	5.5
So. Amer. Gold	30c	4.65	6.4
Sylvanite	20c	2.80	..
Teck-Hughes	40c+5c	5.65	8*
Toburn	8c	1.60	5
Ventures	†2½c	1.85	..
Wright-Har.	40c+20c	8.00	7.5*
Ymir Yankee	†2c	.45	..

‡Interim. †Initial. *Yield includes bonus.

Winnipeg Stocks

(Transactions from June 15 to June 20)

	Sales	High for period	Low for period	Close June 20
Ballor Gold	6,500	.06¾	.06	.06¾
Cres. Cream. pf.	12	35	35	35
Cons. Goldfields	300	.25	.18	.25
Darwin	100	.67	.67	.67
Dom. Envelope, p.	10	90	90	90
Flin Flon	19,675	.26	.18	.25
Gold Lake	28,713	.56	.50	.55
Geneva	275	1.50	1.40	1.50
Gurney Gold	3,000	.48	.42	.48
Gt. Falls M. & S.	3,300	.30	.27	.27
Gold Island	4,000	.20	.20	.20
Kingfisher	6,600	.03	.02½	.02¾
Island Lake	13,700	.06½	.05	.05½
Optic Lake	180	1.80	1.75	1.75
Ore Grande	106,800	.21	.10	.21
Jowsey Is.	2,100	.17	.15	.17
Knee Lake	3,000	.05	.04	.04
Scattergood	3,500	.03½	.03	.03½
Packsack	2,750	.28	.26	.28
Rice Lake	27,800	.14	.09	.12
Rice Lake Units	25	6	6	6
Scotia	11,500	.07½	.06	.07½
United Grain	4	13	13	13
Vanson Man.	2,500	.04	.03	.04
Wingold	88,500	.09½	.07	.09
Wylie Dom.	2,650	.44	.40	.44
Wallace Lake	5,500	.04	.04	.04

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	1	1½
Home Invest.	24	..
Northern Trust	8	9½
Traders Bldg.	75	..
West. Steel, pf.	6½	..
West. Breweries	..	1.75

*Stocks more active on other exchanges not included.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
June 27, 1936

	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar, com.	4.00	4.40
Do., pfd.	4.75	5.10
Acme Farmers Dairy, pfd.	39.00	43.00
Algoma Steel, new pfd.	....	60.00
Andian National	50.00	51.00
Assoc. Tel. & Tel., pfd.	40.00	45.00
B. C. Pulp & Paper, pfd.	8.00	9.00
Burns & Co., A	11.00	12.50
Do., B	5.75	6.25
Canada & Dom. Sugar	58.00	60.00
Canada Paper, pfd.	109.00	118.00
Canada Starch, pfd.	93.00	97.00
Canada Tea, pfd.	30.00	....
Can. Tube, 1st pfd.	46.00	....
Can. Wire & Cable, pfd.	103.00	108.00
Can. Industries, A com.	218.00	....
Do., B com.	215.00	220.00
Do., pfd.	161.00	....
Can. Ingersoll Rand	....	116.00
Can. Power & P. Inv., pfd.	5.50	8.00
Can. Westinghouse	57.00	60.00
Chase, A. W., pfd. bonus	24.75	28.00
Conduits Nat., new com.	2.90	3.35
Dom. Found. & Steel, com. (new)	37.00	40.00
Do., pfd. (new)	91.00	94.00
Dom. Rubber, pfd.	99.00	101.00
Dunlop Tire, pfd.	78.00	....
East. Dairies, pfd.	9.00	12.50
Edmon. City Dairy, pfd.	60.50	....
Federal Grain, com.	1.75	2.50
Do., pfd.	60.00	....
Goderich Elevator	9.25	10.50
Greening Wire, pfd.	104.00	106.50
Guelph Carpet, pfd.	104.00	106.50
Do., com.	16.50	18.50
Highland Dairy, com.	2.25	3.00
Do., pfd.	74.00	78.50
Inter City Bak., com.	27.00	30.00
McLaren Power, com.	9.50	11.50
N. Meth. Laund., pfd. bonus	75.50	80.00
Ont. Tobacco Plant, pfd.	....	35.00
Prov. Paper, pfd.	100.50	103.50
Reliance Grain, pfd.	81.00	84.00
Rob. Consol. Cone	8.75	9.75
Ruddy, E. L., pfd.	38.00	41.00
Silverwood's Dairies, pfd.	46.00	....
Stand. Fuel, pfd. bonus	105.00	107.00
Supertest Petroleum, B pfd.	26.50	29.50
Toronto Carpet, pfd.	35.00	....
Toronto Housing	....	11.00
United Steel, A pfd.	6.00	6.25
West. Grain, pfd. bonus	....	18.50
Willards Chocolates, pfd.	16.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	80.50	83.50
Guelph Ont. Inv., par $50	47.00	51.00
London & West. Trust	55.00	58.00
Premier Trust	....	....
Sterling Trust	36.50	....
Traders Fin., B pfd. bonus	84.00	88.00
Trusts & Guarantee	41.00	43.50
Waterloo Trusts	95.00	....
INSURANCE STOCKS:		
British America	42.00	45.00
Canada Life	330.00	340.00
Canadian Fire	75.00	80.00
Can. Ins. Shares	12.50	15.25
Confed. Life 20% pd.	117.00	121.00
Cont. Life 20% pd.	38.00	40.00
Crown Life	120.00	....
Dominion Fire	115.00	....
Dominion Life 50% pd.	260.00	305.00
Dom. of Can. Gen.	117.00	125.00
Empire Life 25% pd.	7.00	9.00
Excelsior Life 30% pd.	70.00	72.00
Federal Fire 25% pd.	40.00	....
Fidelity of Can.	....	60.00
Great-West Life	391.00	400.00
Guar. Co. of N. A. fully pd.	245.00	....
Halifax Fire	22.50	23.75
Imperial Life	345.00	....
Manufacturers Life	261.00	267.00
Monarch Life 10% pd.	20.00	22.00
National Life 25% pd.	48.00	53.00
Sovereign Life 25% pd.	17.00	19.00
Sun Life	460.00	....
Toronto General Ins.	4.50	5.00
Western Assur., com.	42.00	45.00
Do., pfd.	41.00	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	60.00	65.00
Do., Calgary, com.	5.50	7.00
Do., Kingston, pfd.	61.00	....
Do., Parkdale, pfd.	60.00	....
Do., Toronto, pfd. bonus c.	28.00	34.00
Eastern Theatres, com.	4.00	5.00
Do., pfd.	75.00	80.00
Loew's London, pfd.	2.50	3.25
Do., Toronto, pfd.	111.00	115.00
Mansfield Theatre, pfd.	30.00	....
Paramount Kitchener, pfd.	45.00	....
Do., Oshawa, pfd.	88.00	93.00
United Amusement, A	....	19.00
Do., B	15.25	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	8.00	8.25
Can. Investors Corp.	6.75	8.00
Can. Int. Inv. Trust Units	55.50	....
Cons. Div. St. Sec. Units	13.25	15.00
Debenture & Sec., pfd.	61.00	....
Dom. Scott. Inv. Units	33.00	36.00
For. Power Sec., pfd.	10.00	13.00
Invest. Found. Units	49.50	52.00
Sec. Holding Corp. Units	22.00	25.00
United Corpns., A	20.00	22.00
Do., B	5.50	7.00
POWER ISSUES:		
Calgary Power, pfd.	82.00	85.00
Can. Light & P., com.	20.00	24.00
Can. West. Nat. Gas, pfd.	92.00	95.00
Do., com.	22.00	24.00
Great Lakes Pwr., pfd.	89.00	92.50
Inter. Util., 7.00 pfd.	78.50	....
Nor. Ont. Power, pfd.	101.00	103.00
Nova Scotia L. & P., pfd.	101.00	103.00
Do., com.	82.00	86.00

Unlisted Mines

June 23, 1936

	Bid	Asked
Albany River	.73	.75
Ardeen	.17	.19
Area	.04¼	.05¼
Arrow Head	.37	.40
Athabaska	.20	.23
Athona (Gt. B. L.)	.55	.58
Bailor	.05½	.06½
Bankfield Gold	.71	.74
Bidgood Kirkland	2.07	2.12
Big Master	.47	.50
Blue Star	.40	.43
Bousquet Gold	.13	.15
Big Long Lac	.08	.09
Brae Breest	.13	.15
Callinan Flin Flon	.18	.20
Can. Kirkland	.03	.04
Capital Rouyn	.22	.24
Casey Contact	.05¾	.06¾
Casey Summit	.25	.27
Central Porcupine	.64	.67
Chromium	2.25	2.35
Coin Lake	.26	.28
Columario	.04	.05
Cuniptau	.38	.40
Dunlop, new	.08½	.10
Dorval Siscoe	.26	.28
Frontier R. Lake	.23	.25
Gilbec	.06	.07
Gillies Lake	..	.80
Glenora	.32	.34
Gold Eagle	2.20	2.30
Goldside	.24	.27
Golden Crest	.26	.28
Golden Gate	.35	.37
Golden Rose	1.28	1.35
Gordon Lebel	.37	.40
Horseshoe	.06½	.07½
Hudson Patricia	.24	.27
Jellicoe	.22	.25
Johnson Nipigon	.07	.08
Kaw Crow	.24	.25
Lafayette L. Lac	.05	.06
Lapa Cadillac	.35	.37
Leitch Gold	.63	.65
Long Lac Lagoon	.09	.11
Madsen Red L.	.55	.56
Manitoba Basin	.06½	.07½
Magnet Lake	.12	.14
Martin McNeely	.45	.47
Matachewan Can.	.15	.17
May Spiers	.39	.42
McCarthy Webb	.36	.38
Mosher	.55	.58
Moffatt Hall	.11	.13
Moffatt Hall (new)	.26	.38
Murmac	.19	.21
Matalac	.25	.27
North Shores	.03¼	.04¼
Oklend	.44	.47
Opemiska	1.25	1.35
Oriole	.09	.11
Paulore	.36	.38
Porcupine Gold R.	.05	.06
Proprietary M.	.45	.50
Queen Lebel	.13	.15
Ricard Ramour	.68	.71
Rice Lake	.13	.15
Rubec	.14	.15
Sand River	.37	.39
Skookum	.37	.40
Smelter Gold	.08	.09
South Keora	...	.21
Spooner	.23	.25
Springer	.10	.13
Straw Lake	.14	.16
Sturgeon R. Gold	...	.30
Wendigo	.15	.17
W. Red Lake	.09	.10½
West Side L.	.25	.27
White Horse	.16	.18
Winoga	.35	.37
Young Davidson	.33½	.36
Young Shannon	.30	.33

Mining Stock Quotations

WEEK ENDING JUNE 22, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close June 15 (or last)	High for week	Low for week	Close June 22
.	.12	.04	Afton (Ex. dis)	68,300	.06½	.06½	.05	.05½
No	.24	.07	Aldermac	439,800	.22	.22½	.20½	.22½
1	.04½	.01½	Alexandria	90,400	.03	.03½	.03	.03½
No	.12½	.03½	Algoma	110,800	.09½	.10½	.09	.09½
No	5.50	4.10	Anglo-Huronian	1,087	5.25	5.50	5.35	5.50
1	1.60	1.15	Argosy	6,600	1.53	1.55	1.48	1.51
No	.12	.02	Arno	8,760	.08½	.09	.07	.07
1	.97	.65	Arntfield	54,760	.77	.89	.72	.84
1	.25	.06½	Ashley	12,508	.13½	.12½	.09	.09
1	.06½	.02½	Astoria Rouyn	23,850	.06	.06	.05	.05½
1	.11¾	.05½	Bagamac	111,000	.08½	.09½	.08½	.08½
1	.10	.03½	Barry Hollinger	77,550	.06½	.07	.06	.06½
1	.40	.14	Base Metals	17,900	.15	.18½	.15	.17
1	.65	.28	B.E.A.R.	69,335	.59	.65	.53	.59½
No	1.84	1.20	Beattie Gold	40,256	1.35	1.60	1.40	1.45
1	.47	.30	Beaufor Gold	15,750	.41	.41	.39	.40
1	.76	.50	Big Missouri	17,777	.61	.62½	.57	.58
1	.24	.13	Bobjo	28,182	.21	.20½	.17½	.17½
No	8.60	5.55	Bralorne	4,911	8.20	8.25	7.90	7.90
1	.40	.15	Brazil Gold	5,000	.15	.22	.15	.20
1	.13	.02	Brett Trethewey	28,100	.09½	.09½	.08	.09
50c.	.25½	.09	B.R.X. Gold	4,100	.14½	.16	.13½	.16
1	.05	.01	Brownlee	41,500	.03	.02½	.02½	.02½
1	8.00	3.80	Buffalo Ankerite	4,905	7.60	7.60	7.40	7.50
No	.13	.02	Buffalo Can.	180,800	.08½	.11½	.08	.09½
5	37.00	31.00	Bulolo Gold	535	33.00	33.00	32.50	32.50
.	.13	.10	Do., warrants	343	.11	.12	.11½	.11½
No	.18	.06	Bunker Hill	35,660	.13	.14½	.12½	.13½
No	1.45	.95½	Can. Malartic	16,425	1.24	1.25	1.15	1.18
1	.20	.19	Capital Rouyn	......	(.19 June 11)			
1	1.80	1.15	Cariboo Gold	2,160	1.77	1.80	1.60	1.65
1	.15	.02	Cartier Malartic	39,700	.09½	.09½	.08	.08½
1	1.69	1.24	Castle Trethewey	21,650	1.52	1.50	1.40	1.40
1	.48	.11½	Cen. Manitoba	298,975	.40	.48	.38	.40
1	4.25	2.41	Cen. Patricia	13,665	4.00	4.00	3.85	3.92
No	.09½	.03½	Church M. & Mill	61,650	.07	.07½	.06	.07½
No	.14	.03	Cleriey	178,275	.10	.10½	.08½	.08½
5	4.50	2.25	Coast Copper	25	2.25	2.25	2.25	2.25
1	.03½	.01½	Cobalt Contact	28,600	.02½	.02½	.02	.02½
5	4.25	2.80	Coniagas	700	3.50	3.50	3.40	3.40
No	2.75	1.80	Coniaurum	5,774	2.20	2.20	2.12	2.17
1	2.30	1.10	Con. Chibougamau	31,875	1.75	1.82	1.67	1.70
25	57.75	51.00	Cons. Smelters	4,171	56.00	56.00	55.00	55.00
No	61.25	41.75	Dome Mines	2,737	58.50	58.50	55.50	56.87
1	.07	.04½	Dom. Explorers	2,175	.05½	.06	.05	.06
1	.10½	.04	Duparquet	13,700	.05½	.06	.05½	.05½
.	.60	.55	East Malartic	8,100	......	.60	.55	.58½
1	1.38	.88	Eldorado	15,750	.91	.91½	.88	.88
No	9.50	6.90	Falconbridge	6,050	8.00	8.25	8.00	8.15
1	.10	.03	Federal	61,900	.09	.09	.07	.08
No	.44	.14½	Francoeur Gold	31,700	.15	.17	.15	.15
1	.11	.04½	Franklin Gold	153,400	.04½	.05½	.04½	.05
No	1.45	.75	God's Lake	38,274	1.20	1.25	1.10	1.12
1	.49	.14½	Goldale	63,000	.40	.41	.37	.38
50c.	.56	.30	Gold Belt	1,000	.49	.45	.45	.45
1	.26½	.06	Goodfish	143,250	.19	.24½	.16	.21
1	.20	.03	Graham Bosquet	99,880	.15	.16	.13	.16
1	.40	.17	Granada Gold	30,010	.37	.35½	.28	.28
No	.13½	.05½	Grandora	2,750	.10	.10½	.10	.10
1	.73	.21	Greene Stabell	60,130	.58	.60	.50	.53
1	.09	.04	Grozelle	5,500	.06½	.06½	.05	.06
1	.12	.08	Grull Wihksne	2,200	.09	.10	.10	.10
1	1.20	.75	Gunnar Gold	23,950	1.08	1.15	1.02	1.06
1	.10½	.02	Halcrow Swayze	65,000	.09	.09½	.08½	.09½
1	3.20	.30	Hard Rock	229,205	2.36	2.70	2.35	2.54
1	.18½	.07	Harker	44,500	.15	.15½	.14	.15
5	17.25	13.50	Hollinger	7,364	16.00	16.00	15.12	15.62
1	.93	.55	Howey Gold	103,410	.79½	.89	.78½	.82
No	28.25	22.87	Hudson Bay	4,535	25.25	25.25	24.37	25.00
1	14.25	11.00	Inter. Mining	......	(11.00 April 28)			
1	4.50	4.10	Do., Pur. Warr.	......	(2.75 bid .... asked)			
No	54.00	43.50	Int. Nickel	46,823	47.75	49.87	47.37	49.75
1	.70	.28½	J. M. Cons. Gold	267,114	.60½	.70	.60	.64
1	.65	.40	Kerr Lake	1,100	.50	.60	.60	.60
1	1.27	.30	Kirk. Hud. Bay	24,300	.93	1.01	.93	.93
1	.94	.40	Kirkland Lake	60,125	.69	.69½	.62	.62
.	.12	.03½	Kirk. Premier	1,500	.12	.10	.10	.10
1	.31	.14½	Kirk. Townsite	25,800	.23	.23	.20	.20
No	.21	.03	Lake Maron	1,540,385	.17½	.21	.15	.19
1	60.00	51.75	Lake Shore	2,998	59.75	59.25	56.75	58.25
1	.28½	.05	Lamaque Contact	615,055	.20½	.28½	.18½	.28½
1	1.38	1.03	Lava Cap G.	19,100	1.23	1.24	1.15	1.18
1	.29½	.12	Lebel Oro	108,732	.26	.26	.23	.23½
1	.06½	.02½	Lee Gold	71,100	.05½	.05½	.04	.04½
No	7.75	6.05	Little Long Lac	11,935	6.65	6.75	6.50	6.50
1	4.90	3.12	Macassa	14,967	4.50	4.50	4.35	4.50
1	.07	.01½	Malrobic	45,630	.03½	.04	.03½	.03½
No	.33	.12	Mandy	3,800	.22½	.25	.21	.25
No	.25	.05½	Man. & Eastern	305,500	.22½	.25	.22	.22½
1	.26	.05½	Maple Leaf	24,400	.19	.19½	.19	.19
5	49.25	40.00	McIntyre	2,380	44.75	44.12	42.87	43.62
1	2.12	1.22	McKenzie R.L.	64,125	2.10	2.11	1.94	1.95
1	.65	.45	McKinley	25	.63	.63	.63	.63
.	5.00	3.65	McLeod Cockshutt	20,575	3.85	3.90	3.65	3.65
1	.14	.02	McMillan	424,254	.05	.09	.05	.07
No	1.78	1.19	McWatters	95,450	1.65	1.75	1.53	1.60
1	.42	.21	McVittie	22,900	.25	.27	.24	.25
5	1.50	.50	Mentor Exp. & Dev.	.....	(1.50 bid .... asked)			
No	1.50	1.10	Mining Corp.	2,215	1.35	1.40	1.15	1.30
No	1.00	.07½	Minto Mines	8,700	.70	.72	.68	.68
1	.16	.06	Moffatt Hall	20,000	.13	.13½	.11	.11
1	.80	.54	Morris Kirk	9,600	.58	.59	.54	.56
1	.33	.06½	Moneta	63,300	.27	.28	.25	.25
1	.07½	.00¾	Murphy	287,100	.05½	.06½	.05	.06½
No	.04½	.02	Newbec	24,000	.03½	.03½	.03	.03
1	.06½	.01½	Night-Hawk Penn.	59,100	.03½	.04½	.04	.04
5	3.05	2.35	Nipissing	6,720	2.45	2.58	2.40	2.45
No	59.50	44.50	Noranda	5,516	58.25	59.00	58.00	59.00
No	.63	.28½	Nor. Canada	7,060	.56	.57	.52	.53
1	2.90	.34	O'Brien	48,010	2.55	2.60	2.44	2.45
1	.80	.40	Omega	38,050	.76	.78	.66	.68
1	.18	.07	Osisko	9,600	.15	.18	.14	.17
No	5.20	3.50	Pamour	22,985	4.60	4.70	4.40	4.55
1	.31½	.18	Parkhill	235,890	.19	.26½	.18	.21½
1	.11	.02½	Pawnee Kirk	93,800	.09½	.09½	.07	.08
1	1.20	.50½	Paymaster	95,083	1.01	1.07	1.00	1.04
1	1.20	.73	Pend Oreille	2,750	.82	.80	.77	.78
1	1.75	1.12	Perron Gold	22,975	1.45	1.45	1.39	1.40
1	.04½	.02	Peterson Cobalt	3,600	.02½	.03	.02½	.02½
1	6.90	3.95	Pickle Crow	9,411	6.25	6.35	6.20	6.25
1	12.00	8.60	Pioneer Gold B.C.	4,956	9.10	9.10	8.60	8.75
1	.15	.04	Porcupine Crown	84,350	.11½	.11½	.09½	.11½
1	2.48	1.80	Pioneer Gold	5,600	2.45	2.45	2.40	2.40
1	2.05	.21	Preston E. Dome	222,400	1.80	2.00	1.76	1.92
No	3.25	2.10	Prospectors Air's	3,000	2.40	2.35	2.25	2.30
1	1.40	.75	Quebec Gold	5,900	.85	.85	.80	.80
1	.65	.40	Do., Rights	2,655	.55	.55	.55	.55
No	.07½	.02	Quemont	......	(.05½ bid .07 asked)			
1	2.78	1.43	Read Authier	32,240	2.57	2.68	2.50	2.64
1	1.64	.50	Red Lake	95,265	1.51	1.64	1.50	1.64
1	1.35	1.00	Reno Gold	7,825	1.31	1.30	1.25	1.27
1	.13½	.01	Ritchie	248,370	.09½	.11½	.08½	.11
1	.09	.04	Robb Montbray	118,680	.05½	.06½	.04½	.06
1	.28	.05½	Roche Long Lac	109,200	.22	.24½	.20	.23½
1	3.45	2.16	San Antonio	113,761	2.38	2.62	2.37	2.55
1	1.15	.75	Shawkey	72,925	.86	.95	.86½	.87
50c.	.86	.56	Sheep Creek	9,700	.78	.80	.75	.75
1	1.40	1.00	Sherritt Gordon	22,994	1.03	1.09	1.02	1.05
1	3.88	2.88	Siscoe	60,000	3.80	3.85	3.55	3.59
1	.57	.42½	Sladen Malartic	72,915	.49½	.55	.48½	.53
1	6.25	4.40	South Amer. Gold	......	(4.65 June 4)			
No	.08½	.03½	South Tiblemont	367,580	.06½	.07½	.06	.06½
No	.49½	.18½	Stadacona	153,470	.48	.48½	.46½	.47
1	.38½	.18	St. Anthony	157,410	.31	.35	.27½	.29
No	4.95	3.00	Sudbury Basin	1,260	3.70	3.90	3.74	3.84
1	.20	.06	Sudbury Contact	41,000	.19	.19	.15½	.16
1	.07½	.03½	Sudbury Mines	138,325	.04½	.04½	.04	.04½
1	1.41	.83	Sullivan Cons.	70,696	1.32	1.38	1.28	1.38
1	2.90	2.25	Sylvanite	14,045	2.76	2.80	2.72	2.80
1	.68	.38	Tashota	24,300	.54	.55	.48	.51
1	5.85	4.30	Teck Hughes	23,268	5.55	5.65	5.50	5.65
1	.73½	.37½	Thompson Cadillac	64,636	.35	.65	.60	.60
1	.23	.02	Timiskaming	47,700	.17½	.18½	.16	.18
1	1.63	1.20	Toburn Gold	1,845	1.50	1.60	1.35	1.60
1	.45	.20	Towagmac	10,000	.40	.40	.35	.35
1	.40	.20	Treadwell		(... bid .40 asked)			
No	2.52	1.60	Ventures	29,927	1.93	1.95	1.85	1.85
No	1.35	1.00	Waite Amulet	2,069	1.05	1.07	1.01	1.04
50c	.21	.09½	Wayside	270,200	.12	.12½	.09½	.11
No	.05½	.03	White Eagle	80,900	.04½	.04½	.04	.04½
1	.10	.03	Wiltsey Coughlan	36,900	.09½	.10	.08½	.09
1	.09	.04	Wood Kirkland	9,000	.07½	.07½	.06½	.07
No	9.00	7.55	Wright-Hargreaves	11,060	8.05	8.10	7.90	8.00
No	.71	.38	Ymir Girl	21,535	.50	.50	.40	.45

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close June 15 (or last)	High for week	Low for week	Close June 22
No	.18½	.09½	Acme Gas & Oil	8,100	.10	.10½	.10	.10½
1	.70	.40	Ajax	2,200	.45	.45	.40	.45
No	1.60	.70	Calgary & Ed.	41,305	.98	1.60	.95	1.48
1	.18	.05	Calmont	59,804	.10	.18	.09	.17
No	.10½	.04	Common Pete	12,900	.04½	.08	.06	.08
No	.78	.36	Dalhousie	25,648	.40	.61	.41	.57
No	.13½	.06	East Crest	18,100	.06½	.09½	.06½	.09½
No	.78	.35	Foothills	3,900	.78	.60	.55	.58
No	.31	.13	High Sarcee	38,000	.15	.31	.13	.29
No	1.46	.70	Home	15,725	1.00	1.20	1.00	1.10
1	.81	.11	Homestead O.&G.	27,700	.45½	.47	.44	.47
No	.14½	.07	Lowery	3,500	.08½	.07	.07	.07
No	.24	.12	Merland	5,100	.14	.18	.16	.18
5	.26	.14	Nordon	35,500	.16	.20	.15½	.16
No	.07	.03	Oil Selections	5,500	.05	.05½	.04½	.05½
No	.15	.08	Olga Gas & Oil	15,660	.10	.11	.09½	.10
1	.75	.52	Petrol Oil & Gas	50	.65	.65	.65	.65
No	39.50	26.25	Royalite	4,519	27.75	31.50	27.00	30.00
No	.15	.04	South West Pete	41,315	.09	.15	.08	.15
No	4.85	1.63	Texas Can.	24,810	1.75	2.15	1.75	2.10

VANCOUVER STOCK EXCHANGE

(Transaction for Week to June 22)

Par Val.	Range 1936 High	Low	Company	Sales	Close June 15 (or last)	High for week	Low for week	Close June 22
25c	.00½	.00½	Bayview		(.00½ bid ... asked)			
20c	.05	.02½	Beaver Silver	6,000	.03	.02½	.02½	.02½
25c	.01½	.01	Bluebird		(.00½ bid .01 asked)			
No	8.55	5.60	Bralorne	5,829	8.20	8.20	7.95	8.00
1	.10	.02	Bridge River Cons	8,300	.07½	.07½	.07½	.07½
50c	.25½	.08½	B.R.X. Gold	16,700	.14	.15½	.14	.15
50c	.18	.12½	B.R.Mountain Gold		(... bid .16 asked)			
1	.54	.17½	B.C. Nickel	20,600	.36	.36	.31	.32
1	2.75	1.50	B.C. Silver	100	2.25	2.25	2.25	2.25
50c	.12	.04	Canadian Rand	42,600	.10½	.11	.09½	.11
1	1.80	1.15	Cariboo Gold	5,570	1.73	1.75	1.60	1.60
1	.30	.12½	Congress Gold	29,900	.20	.21	.18	.19
25c	.00½	.00½	Cork Province		(.00½ bid ... asked)			
1	.04	.02½	Cotton Belt		(.02 bid .02½ asked)			
1	.03½	.01	Dalhousie Mines	4,000	.01½	.01½	.01	.01
No	.36	.17	Dentonia	23,025	.20	.21	.18	.19
No	.08½	.02	Dictator	5,000	.04½	.04½	.03½	.03½
1	.07	.03	Dunwell	1,100	.03½	.03½	.03	.03
No	.09½	.03	Fairview Amal	31,000	.06½	.05½	.05	.05
50c	.59	.35	Fawn Mining	4,325	.58	.59	.57	.59
1	.18½	.03½	Federal Gold	57,400	.08	.07½	.07	.07
1	.25	.20	George Copper		(... bid .20 asked)			
50c	.05½	.02½	George Enterprise		(.02½ bid ... asked)			
1	.02½	.01½	Georgia River	2,500	.01½	.01½	.01½	.01½
50c	.02½	.01	Glacier Creek		(.01 bid .01½ asked)			
1	.24	.10	Golconda	1,600	.12½	.12½	.10	.10
50c	.54	.29	Gold Belt	9,225	.42	.45	.39	.39½
50c	.18	.05	Gold Mountain	122,700	.12½	.14	.11	.12½
50c	.04½	.02	Grandview	2,100	.03½	.02½	.02½	.02½
No	.07½	.02	Grange Mines	42,300	.02½	.02½	.02	.02½
1	.11½	.07	Grull Wihksne	4,650	.10	.10	.09	.10
No	.05½	.02½	Haida Gold	500	.04	.03½	.03½	.03½
50c	.32	.20	Hedley Amal	14,000	.23	.23	.20	.21
No	.05	.03	Hedley Sterling	1,000	.04	.03	.03	.03
No	.08	.02	Home Gold	69,100	.04½	.04½	.04	.04
1	.02	.00½	Independence	9,000	.01	.01	.01	.01
1	.03	.02	Indian Mines	1,000	.02½	.02	.02	.02
50c	1.82	.95	Island Mountain	8,300	1.70	1.75	1.60	1.60
1	.21	.18	Inter'tl Coal		(.20 bid .20½ asked)			
50c	.72	.30	Kootenay Belle	17,100	.62	.69	.63	.66
20c	.00½	.00½	Koot. Florence		(.00½ bid .01 asked)			
25c	.00½	.00½	Kootenay King		(.00½ bid ... asked)			
25c	.00½	.00½	Lakeview		(.00½ bid ... asked)			
10c	.02½	.01½	Lucky Jim		(.01 bid .02 asked)			
No	.14½	.04½	Mak Siccar	5,500	.05	.05	.04½	.04½
50c	.00½	.00½	Marmot Metals		(.00½ June 4)			
1	.20	.12	McGillivray Creek		(.18 bid ... asked)			
50c	.14½	.06½	Meridian Min	3,200	.07	.07½	.07	.07½
No	.94	.07	Minto Mines	45,300	.71	.71½	.66	.66
No	.05	.02	Morning Star	10,000	.03	.02½	.02½	.02½
1	.01	.00½	Morton Woolsey		(.00½ bid .00½ asked)			
25c	.03½	.02	National Silver	6,500	.03½	.03	.02½	.02½
50c	.15	.07½	Nicola	169,550	.09½	.13	.09½	.13
50c	.05½	.02½	Noble Five	9,500	.02½	.02½	.02½	.02½
No	.08	.02	Pilot Gold	34,300	.06½	.06½	.06½	.06½
1	11.85	8.60	Pioneer Gold	2,860	9.20	9.20	8.60	8.65
50c	.07	.04	Porter Idaho	2,000	.05	.04½	.04½	.04½
No	.01½	.00½	Premier Border	28,000	.01½	.01½	.01	.01½
1	.02	.01	Quatsino Copper		(.01 bid ... asked)			
25c	.13½	.05	Quesnelle Quartz		(.06 bid .08 asked)			
50c	.05	.04	Red Hawk G.	500	.04	.04	.04	.04
...	.09½	.05½	Reliance	75,100	.07½	.07½	.06½	.06½
1	.48	.26	Relief Arlington	12,300	.33	.35	.33	.35
No	.12	.05	Reeves McDonald		(.05 bid ... asked)			
1	1.38	1.00	Reno Gold	14,300	1.28	1.30	1.23	1.27
1	.15	.02	Reward Mining	45,900	.08	.08	.07½	.07½
1	.01	.00½	Rufus Argenta	6,000	.00½	.00½	.00½	.00½
1	.03	.01	Ruth Hope		(.01½ bid ... asked)			
1	.15	.08	Sally Mines	1,200	.12	.12	.12	.12
50c	.13½	.08	Salmon Gold	7,200	.10	.09½	.09	.09½
50c	.79	.55	Sheep Creek	10,800	.77	.78	.75	.75
25c	.01½	.00½	Silvercrest	91,500	.00½	.01½	.00½	.00½
20c	.02½	.01	Silversmith	10,100	.01½	.01½	.01½	.01½
50c	.00½	.00½	Snowflake	100	.00½	.00½	.00½	.00½
1	.54	.43	Standard Gold		(... bid .46 asked)			
10	24.25	16.50	Sunshine	10	18.75	16.50	16.50	16.50
No	.24	.07½	Taylor Bridge	6,900	.13	.12½	.10½	.10½
1	.27	.07	Taylor Windfall	200	.17	.16	.16	.16
50c	.03½	.02	United Empire		(.01½ bid .02 asked)			
No	1.88	.65	Vidette Gold	35,535	1.70	1.75	1.45	1.67
No	.08½	.00½	Viking Gold	28,200	.04	.04	.03½	.03½
No	.06½	.01	Waterloo Gold	2,000	.04½	.04½	.04½	.04½
50c	.01½	.00½	Waverley Tangier	21,800	.00½	.00½	.00½	.00½
50c	.20½	.09½	Wayside	21,050	.12½	.11½	.09½	.11½
20c	.01½	.01	Wellington		(... bid .00½ asked)			
1	.06½	.03	Whitewater		(.03½ bid .04 asked)			
No	.60	.42	Ymir Yankee Girl	300	.52	.52	.52	.52

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close June 15 (or last)	High for week	Low for week	Close June 22
1	.21	.09	Alta. Pac. Cons.	47,525	.12	.21	.14	.17½
1	.15	.05	Amalgamated	22,000	.11½	.12½	.11	.12
1	.09	.02½	Anaconda	257,900	.03½	.09	.04	.08
No	.05	.02	Baltac	13,100	.03	.05	.04	.04
1	.43	.09½	Brit. Dominion	97,595	.10½	.43	.09½	.33
1	.14½	.05	Crow's Nest	14,750	.11½	.12½	.11	.12½
No	.05½	.03	Devenish	9,000	.04	.04	.03½	.04
No	.12½	.04½	Freehold	15,200	.04½	.09	.06½	.06½
No	.09½	.04	Hargal	19,900	.04	.09½	.06	.08
No	.33	.12	High Sarcee	118,850	.14½	.33	.13½	.28
No	.03	.01	Madison	52,000	.01	.03	.01½	.02½
No	.25	.11½	Marjon Oil	70,650	.17½	.24	.18	.22½
No	.14½	.05½	McD. Segur Ex.	148,530	.06	.14½	.06	.12½
1	.40	.20	McLeod	700	.28	.40	.40	.40
No	.18¾	.11½	Mercury	86,400	.11½	.15½	.11½	.14
No	.15	.08	Mill City Pete	11,100	.09	.12	.10	.14
1	.30	.20	Model	12,400	.20	.29	.22	.27
No	.25	.04	Okalta	127,800	.06½	.25	.07½	.24
No	.09½	.04½	Pacalta Oil	328,700	.06	.09½	.06	.07½
1	.83	.44	Ranchmen's	4,500	.47	.55	.44	.55
1	.27	.18	Spooner	3,463	.21	.26	.23	.25
No	.09½	.05	United	30,250	.05	.08½	.05½	.08
No	.10½	.05	Vanalta	13,700	.06	.08½	.06	.08
1	.65	.10	Vulcan	55,720	.10	.65	.18	.60
1	.08½	.07	Wellington Oil	1,000	...	.08½	.07	.07

Your Investments

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2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
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Fraser Companies

I hold some of the common stock of Fraser Companies, issued under the reorganization plan a few years ago. The company now has sent me subscription warrants to purchase new stock at $12 a share, to be exercised before June 30. If I do not take up the subscription warrants, would it affect, in any way, the stock I already hold?

If you do not take up the stock offered to you under the subscription rights, your position is not in any way affected. However in that event you should sell the rights through a stock broker, as they are worth about 45 to 50 cents each.

We understand that the company's operations this year are continuing along satisfactory lines and that earnings are probably somewhat ahead of last year. Interest on the new bonds becomes due July 1 and it is our understanding that the payment will be made. Generally speaking the outlook for the company is favorable and whether or not you take up the stock is largely a matter for your own decision.

Canada Cement

As a subscriber I would be glad to have an opinion on the preferred stock of Canada Cement. Also can you tell me the amount of the dividend arrears?

Canada Cement preferred is regarded as speculatively attractive. The company's earnings have been restricted by the limited volume of new work undertaken in the country. However, bond interest and depreciation have been covered. The dividend on the preferred is still in arrears, but given a normal increase in business, it would not be long before the company re-established its earning power and resumed payments on the preferred stock.

C. P. R. 3½'s of 1951

Shortly I will have some money for reinvestment and am considering purchasing some Canadian Pacific Railway 3½ per cent convertible bonds of 1951. Will you let me have your views on this security.

Canadian Pacific Railway 3½ per cent convertible bonds, due 1951, hold more than a fair share of interest for the ordinary investor. The bonds are a direct obligation by the company and secured by a pledge of consolidated debenture stock with a ratio of not less than $125 principal amount for each $100 principal amount of bonds outstanding. Interest charges are being covered by a comfortable margin. The attraction of these bonds, however, lies in conversion rights. Bonds can be converted into common stock between February 15, 1937, and the same date in 1944, on the basis of 4 shares of ordinary stock for each $100 principal amount of bonds; in other words, you have a call on the common stock of $25 a share over a 7-year period. While the railway situation is not particularly promising at this time, by 1944 the conversion privilege may be of value.

Imperial Oil

What are the prospects of Imperial Oil Ltd. continuing its present dividend rate?

It is anybody's guess as to whether or not Imperial Oil will continue its present dividend rates for a long time. It is paying at the rate of $1.25 a share and only earned 93½ cents a share in 1935. The company itself has not indicated its policy because its regular dividend is only 50 cents a share and the bonus dividend 75 cents a share. Its earnings of nearly 94 cents a share also include payments of $2.50 a share on its enormous holdings of International Petroleum Shares of which $1 a share is paid as a bonus. Both companies have exceedingly strong liquid positions and are in a position to pay bonus dividends even though not earned for some years. There seems to be considerable confidence among those who have studied the situation that the dividend will be continued at the present rate. The main reliance for increasing earnings so as to maintain current dividends would seem to be on International Petroleum which can increase production whenever world markets will take up the increase. An improvement in crude prices in the United States has an immediate effect on net earnings of International Petroleum.

Northwestern Utilities

Are Northwestern Utilities bonds a safe investment for a man of limited means to whom safety of principal as well as income is important?

Northwestern Utilities have a somewhat speculative future, as the company's working capital is not very great. The company however, has had a 10-year extension of its franchise in Edmonton, and its actual earnings since last year have been more than sufficient to take care of its bonds. Much of the value of the bonds, of course, depends on the life of the gas fields and its ability to acquire and bring in other fields when required. Their engineers state that the fields have ample gas to last the lifetime of these bonds. When the bonds were recently converted the sinking fund provision was lessened.

Famous Players

I am a retired physician of very limited means, having lost heavily during the depression. On July 1 I will have $1,500 to reinvest as a result of redemption of a Famous Players bond. While income is desirable, safety of principal is more so. Are the new Famous Players bonds a safe investment?

The new Famous Players bonds, especially the $5 millions of 4½ per cent bonds due 1951, are regarded as desirable for investment. The serial bonds, outstanding to the extent of $2.1 millions, pay from 3 to 3½ per cent and mature at the rate of $350,000 yearly until 1940. Unless you wanted a short-term investment they would hardly suit you.

Brantford Cordage

I am considering the purchase of Brantford Cordage preference shares. Please favor me with a report on this company.

Brantford Cordage recently redeemed its 8 per cent preferred shares of $25 each, and is offering new 5 per cent shares.

The company had a couple of bad years in the depression, but has had such a strong working capital position that preferred dividends have always been paid. Even including the bad years, average net profit over the last eleven years has been over 3½ times dividend requirements on the new shares that are being offered. In the latest fiscal year, the preferred dividend was earned 4.3 times, so that you would be purchasing a security on which the earnings are more than ample.

The company manufactures binder twine, and supplies about one quarter of the Canadian consumption. The record of earnings and management is satisfactory, and in view of the scarcity of investments to yield 5 per cent, the yield of 5.3 per cent available to buyers of the new shares is attractive.

Contract Discounts

Please give me full particulars as to the value of the 6 per cent cumulative preference shares of Contract Discounts Ltd. Has the company ever paid dividends? What is the present market value of the shares, and can a market be found at the present time?

Contract Discounts Limited is the official finance organization in Canada for Maytag Washing Machines Co. The company is engaged in the financing of time payment purchases of electric appliances and washing machines handled by Maytag dealers. The liens against these washing machines are guaranteed by both the dealer and the Maytag Washing Machine Company.

The company has an authorized capital of $100,000 6 per cent cumulative preferred stock, par value $100, and 5,000 shares of no par value common stock. Common shares are being offered as a bonus with the preferred. The company has been operating since November, 1934. We are not in a position, however, to give a detailed analysis of the company's position, since a financial statement has not been issued. We are informed that operations to date have been profitable and that preferred dividends were paid out of earnings June 30, 1935, and January 6, 1936. Net earnings, we are informed, are currently running at about twice preferred dividend requirements. At the present time, the company's assets are liquid, consisting of cash in the bank or contracts maturing within the next 10 or 12 months.

About the only way you could dispose of the stock would be by getting in touch with the company direct. At the present time authority is being sought for the company to repurchase its own preferred shares. We are informed that a market could be secured for the preferred stock at par.

International Pete

I would appreciate a brief report on International Petroleum and its prospects.

International Petroleum has so far in 1936 had some increase in production over the same period of 1935. The company depends on the world markets for its earnings. It has therefore profited to a considerable extent by the improvement of the mid-continent quotations during the last year and a half. It is paying, however, extra dividends of $1 above its actual earnings. These extras have come from its accumulated earnings in past years. Its last financial statement showed it had accumulated earnings sufficient to enable it to pay such a bonus for 5 years to come. It is very strong financially. There is, of course, the prospect that if world trade improves considerably the demand for its crude and also for its refined products in South America may increase.

The expectations of officials are that in the course of time, current earnings will improve so as to enable it to continue the present rate of dividends.

Maple Leaf Milling Co.

I would appreciate your opinion as to the advisability of disposing of Maple Leaf Milling Co. first mortgage bonds due 1949?

You realize, of course, that to sell your Maple Leaf Milling Co. bonds at this time, you would be taking a very substantial loss. While the outlook for the company is still considered none too bright, the situation has been improving during the past year. Naturally as earnings increase the company's bonds should appreciate. It is hardly likely the company will be able to pay more than a half year's interest in cash in the near future, especially in view of the large working capital deficiency. It must be admitted that it is still problematical whether the company will be able to recover its former solvency under the present 5-year plan of relief.

In the year ended July 31, 1935, the company failed to earn even half of its bond interest after depreciation. If the company is to avoid another reorganization, earnings will have to increase sharply in the next two years. In this connection, it might be pointed out that bondholders are in the driver's seat and that in the event of another reorganization, shareholders might be entirely wiped out.

The Woman Investor

Capitalists All

FIRST known financial congress of women, sponsored by "Women Investors in America Inc." made financial history in Chicago last week. There is no Canadian counterpart of the unique organization, founded a year ago, but it indicates a spread of investment consciousness among women who were present from 18 states of the U. S.

Cathrine Curtis, tall, grey-haired one-time radio commentator, and head of the women investors' body, inveighed against the Rooseveltian New Deal, in addressing the gathering.

Said she, "Woman, of course, through her great ownership of insurance, trust funds, stocks, savings accounts, homes, is the greatest capitalist in the world. We must mobilize to save this capitalism."

Tinged with a strong political flavor, the congress of women investors nevertheless brought to light several interesting facts; that women control 80 per cent of U. S. life insurance, 65 per cent of savings accounts, 48 per cent of railroad securities, 44 per cent of utilities' stocks and 40 per cent of U. S. real estate.

* * *

"Money Conscious"

ORIGIN of "Women Investors in America" can be traced to the efforts of Cathrine Curtis to make women "money conscious." For years her efforts met with little success, she admits, but intensification of the campaign by means of radio broadcasts and other methods began to produce results in 1934. A mass meeting in Utica, N.Y., was followed by incorporation of "Women Investors," pledged to awaken women's minds to finance and the power they wield in financial matters.

STOCKS LISTED AND UNLISTED BONDS

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Rackets

"Ten Per Cent Down"

CASH bond" racketeers continue to take their toll from gullible unemployed Canadians.

New variations of the scheme have been developed, to capitalize on changing business conditions, but the basic principle is the same; to secure cash from work-seekers on the strength of dubious promises of employment.

Most notorious of all Canadian "cash bond" rackets was the case of a provincially chartered cigar and cigarette company which advertised for two stockkeepers, a timekeeper and assorted bookkeepers who were required to make an "investment."

Amounts ranging from $200 to $1,000 were mentioned to prospective applicants, They saved their money, but others were not so fortunate. They turned over cash and received stock certificates. When the company failed to commence operations, and its "officers" were jailed, victimized would-be employees received nothing. In many cases their "investment" had been borrowed from friends.

* * *

"Exclusive Rights"

LATEST variation of the racket, uncovered by Better Business Bureau officials, is the "right to sell in exclusive territory." The racketeer sells his victim sole rights to sell an almost unsaleable article within a limited geographical area. Signboards, books, kitchen utensils and articles which cannot be sold in retail stores at any price are among the merchandise used, but under the persuasion of a high pressure promoter, the would-be agent sees a bright future for the "business."

A contract is drawn, whereby the "agent" obligates himself to buy many thousand dollars worth of goods each month for a year and pay 10 per cent at once. The 10 per cent is to be "written off" by means of 10 per cent discounts on each order, so that within the year the entire down payment is theoretically repaid.

Attractive on the surface, cold facts are that the "agent" invariably finds he cannot dispose of merchandise at the stipulated rate per month, and he must therefore default, a clause in the "contract" providing that if he does so, his 10 per cent deposit is automatically forfeited.

The promoter re-enters the picture, resells the "territory" to another victim, and the game goes on.

Montreal Still Seeks Cut in Debt Charges

Metropolitan Commission Decides to Look Into "Matter"

From Our Own Correspondent

MONTREAL.—A voluntary cut in interest rates on the debt of the City of Montreal and the solvent municipalities under the control of the Montreal Metropolitan Commission, is being strongly urged following the dissolution of the Quebec House which failed to take action on the City of Montreal bill which provided for a forced readjustment of interest charges.

The matter has come up in the Montreal City Council and before members of the Metropolitan Commission. The latter has decided to undertake an intensive study of conversion schemes put through throughout the world, notably in Great Britain and Australia, with a view to finding a way out for the solvent municipalities to convert their costly debts.

Taste of Conversion

The Metropolitan Commission recently succeeded in effecting successful voluntary conversions of the debt of the three bankrupt towns of Montreal North, Pointe aux Trembles and St. Michel de Laval under its jurisdiction; $1,113,000 of their debt bearing interest at about 6 per cent was converted, $850,000 of the bonds were exchanged for $850,000 of Metropolitan Commission 10-year bonds bearing interest at 4 per cent and $263,000 were exchanged outright for an equal amount in cash, which the Commission borrowed from its bankers at the usual rates of interest.

In connection with the successful voluntary conversion of the debt of the three bankrupt towns, the following accepted exchange of 6 per cent municipal bonds for 4 per cent ten-year Commission bonds:

	$
Sun Life Assurance Co.	286,000
Bank of Montreal	130,000
London & Scottish Assur. Co.	23,000
Dom. Com. Travelers Assoc.	20,000
Royal Bank of Canada	40,000
Westmount Pension Fund	6,000
National Trust Co.	29,000
McGill University	57,000
Royal Victoria College	100,000
Montreal Life Insurance Co.	43,000
Canada Accident & Fire As. Co.	25,000
Royal Trust Co. (St. John)	8,000
Royal Trust Co. (Ottawa)	5,000
Royal Trust Co. (Montreal)	78,000
	850,000

Those who accepted cash:	
Royal Bank of Canada	500
National Trust Co.	1,000
Westmount Pension Fund	8,000
Guardian Assurance Co.	6,000
Royal Trust Co. (Quebec)	1,000
Royal Trust Co. (Montreal)	7,000
Aylmer Binette	500
Montreal Trust Co.-Montreal	1,000
Royal Trust Co.-Montreal	2,000
Royal Trust Co.-Montreal	8,000
Montreal Trust Co.-Montreal	31,000
Toronto General Trusts Ltd.	100,000
North American Life Ins. Co.	97,000
	263,000

Prepare for New House

The idea back of the present agitation for converting the debt of the City of Montreal and the Metropolitan Commission on a lower basis, is to have a concrete proposal ready to put before the new legislature which will meet early in October following the provincial elections this fall.

JOINS FIRM

F. B. Tilton, who has become associated with Burke, Dansereau & Co. Reg'd, Montreal, members of the Toronto Stock Exchange, in the capacity of comptroller. Mr. Tilton has been connected with the accounting firm of P. S. Ross & Sons, Montreal, for seven years.

Municipal Finances

Brandon, Man., feeling that it is unable to maintain necessary services and also pay its debenture interest, has asked the provincial government to appoint an administrator. A minority of the council was opposed to this and favored the appointment of a supervisor. The appointment of an administrator will take control of civic affairs entirely out of the hands of the council.

* * *

Calgary, Alta., reports that total tax collections for the first five months of the year are about $9,000 higher than in the same period of 1935. This is due to an increase in collections of arrears since collections of current taxes are lower. Total tax collections, both arrears and current, for the 5-month period amounted to $1,538,202.

* * *

Laval des Rapides, Que., bondholders are in receipt of official notification from the Quebec municipal commission that all the outstanding bonds of the city are to be redeemed on July 1 irrespective of maturity dates, in accordance with the terms of the refinancing scheme. Principal and interest on the bonds will be paid on presentation of the bonds with all outstanding coupons to Banque Canadienne Nationale, Cartierville, Que.

* * *

Lethbridge, Alta., has struck its 1936 tax rate at 43.10 mills as against 43.36 mills in 1935. The city is hopeful relief costs will be reduced as a result of betterment of farming, coal mining and the beet sugar industry.

* * *

London, Ont., has received a report from H. E. Radford, Toronto efficiency expert, showing how the city council can reduce its relief budget for the balance of the year so as to come within the estimate of $150,000 as the city's share for 1935. While pointing out that an analysis shows many to have been drawing relief who should not have been enrolled, Mr. Radford suggests savings to the extent of $64,931, affecting practically every phase of the city's welfare system. During the first 5 months of 1936 London paid $12,619 more in relief than in 1934 although on the average there were 2,000 fewer persons on relief than in 1934.

* * *

New Westminster, B.C., reports a deficit in 1935 of $39,781 exclusive of the city's share of relief costs, which was borrowed from the provincial government, and of general sinking fund levy. Detailed financial statistics for 1935, which were not received in time for The Financial Post's annual municipal survey last week are given below:

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,068,511
Expenditure	▲1,108,292
Assessed value for taxation	8,650,890
Exemptions not included	3,851,285

▲Exclusive of city's share of relief and general sinking fund levy.

Tax rate, 1935: Debenture, 25.05; school, 25.45; general, 5.5; total, 56 mills.

Total tax arrears, $370,836; 1935 levy, $556,665; uncollected, $148,544.

Assets and Liabilities

Value of assets	$11,231,489
Total debenture debt	6,889,203
Total sinking fund	1,976,655
Sinking fund arrears	629,275
Gtd. bonds (as to int. only)	600,000
Other liabilities	343,377

Public Utilities

	*Net earnings	†Net profits
Waterworks	$53,510	$26,313
Electric plant	118,209	87,923
Market	2,310	‡1,264

*After operating charges only. †After operating charges, depreciation, interest and sinking fund. ‡Deficit, after interest and depreciation.

Nepean Twp., Ont., may be placed under the supervision of the Ontario Department of municipal affairs as a result of the decision of the township council to apply to the Ontario government for assistance. The situation is being studied by the municipal department. The tax rate and financial situation in the township has been a matter of concern for some time. According to a statement issued by the reeve, the steadily increasing burden of debt has reached a point beyond the ability of the taxpayers to bear. At the end of 1935 the township's debenture debt was $974,836.

* * *

Portage la Prairie, Man., has authorized the issuance of $50,000 of debentures for relief purposes. The bonds will bear 5 per cent interest. The city has been notified by the Bank of Montreal that interest on its bank loans will be reduced from 5½ to 5¼ per cent.

* * *

Port Arthur, Ont., reports a reduction in net debenture debt in 1935 of $215,706. Total tax collections for the year amounted to 102.2 per cent of the levy and receipts of current taxes to 83.5 per cent, compared with 83.3 per cent in 1934. On general revenue account there was a surplus of $3,800. Detailed financial statistics are given below:

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 1,046,053
Expenditure	1,042,253

Total tax arrears, $539,353; last year's tax levy, $1,032,081; uncollected, $149,900.

Assets and Liabilities

Value of assets	$11,339,089
Total debenture debt	5,326,207
Total sinking fund	2,752,787
Bank loans	463,282
Other liabilities	167,245

Debenture Debt

	Deb's outstand.	Sink. fund on hand
Public utilities	$2,528,741	$1,440,927
Local improvements	558,470	300,393
General	1,092,086	619,857
School	1,146,910	391,610
Total	$5,326,207	$2,752,787
Guaranteed bonds	$ 351,116	

* * *

Stratford, Ont., reports that the cost of direct relief for May was almost $6,000 less than for the corresponding month of 1935. The total cost for the month was $12,700 while the cost in May, 1935, was over $18,000.

* * *

Victoria, B.C., reports a deficit on ordinary account of about $325,000 in 1935. At the end of the year there was a shortage of $175,940 in sinking funds. Detailed financial statistics are given below:

Population: 1935, 40,000; 1931, 39,082. Area, 4,840 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 2,075,556
Expenditure	2,400,613
Assessed value for taxation	52,622,398
Exemptions not included	20,553,095

Tax rate, 1935: General, 16.7794; debenture, 13.1225; school, 11.0981; total, 41 mills.

Total tax arrears, $737,307; tax levy, 1935, $1,693,316; uncollected, $394,797.

Assets and Liabilities

Value of assets	$17,545,685
Total debenture debt	16,257,894
Total sinking fund	4,395,001
Sinking fund shortage	175,940
Other liabilities	1,339,524
Bank loans	436,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,901,782	$ 873,850
Local improvements	4,596,391	......
Other	7,759,721	3,521,151
Total	$▲16,257,894	$4,395,001

Bonds guaranteed $497,000.

▲Includes $611,887 of unsold debentures.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$261,586	$67,224

* After operating expenses only. † After operating expenses, interest and sinking fund charges.

* * *

Three Rivers, Que., has decided to appeal the court judgment disallowing claims of $893,313 against Canadian International Paper Co.

* * *

Winnipeg, Man., is hopeful of showing a budget surplus in 1935 as a result of payments in excess of $200,000 to redeem more than 200 properties which were to have been sold at the tax sale this month. The amount of taxes owing on the properties withdrawn from the tax sale totalled over $500,000. Applicants had to pay 1933 taxes and anything outstanding prior to that date.

Contract Awarded

From Our Own Correspondent

MONTREAL. — Anglin-Norcross Corp. has been awarded a contract for the construction of a $300,000 plant at Ville LaSalle, just outside of Montreal, for Chase and Sanborn Ltd. Work will be commenced next week and the plant will be ready for occupancy early in the fall.

HUMAN NATURE

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CALL HOME... on those Sundays away from Home!

JIM HOWARD looks forward to the week-ends. He likes to spend them at home in the bosom of his family. So, when a prolonged business trip found him at loose ends in a strange town that Sunday morning, his cup of sorrow and discontent was overflowing—until he suddenly thought of Long Distance and the new Low Sunday Rates. "It will be almost as good as being with them" thought Jim as he briskly stepped to the telephone.

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THE BELL TELEPHONE COMPANY OF CANADA

Sees Investment Problem Major Insurance Worry

Arthur P. Earle Looks to Honest, Economic Government to Point Solution to Many Besetting Ills

By ARTHUR P. EARLE,
President and managing director, Montreal Life Insurance Co.
(Extracts of address to Special Libraries Association, Montreal)

The most serious problem of the life insurance companies today is that of investments.

For several years market prices of high grade securities have advanced steadily and possibly the end is not yet, though surely the peak is near at hand. If the move continues for another year or two, Canadian banks will be forced to charge their depositors for the care of the money entrusted to them.

Three Insurance Factors

A life insurance contract may endure for fifty years or more. In ascertaining the premium, 3 factors are taken into consideration: mortality, interest and expense, and I will treat with them in this order.

Mortality: Our calculations are based on carefully compiled mortality statistics covering millions of lives and extending over a great many years. We have every confidence that the mortality to be experienced in the next 25 to 50 years will not be more severe than that of the past 25 years. Medical science, education, sanitation, personal hygiene have all had their part in the lengthening of the average lifetime of those living in civilized countries and it is reasonable to assume that there may be further advances in this direction in the years to come.

While on the subject of mortality, I am inclined to give greater credit to other factors than medical science for the prolongation of human life. Education as to proper living methods, sanitation and personal hygiene have done more than medicine and surgery to bring about these results. Prophylaxis is superior to curative processes.

Interest Rate Difficulties

The next factor involved in the construction of a life insurance premium is interest, and here is where we encounter a difficult problem.

If life insurance companies were operated as fire insurance companies and wrote policies for one or 3 years only, with right of cancellation, and further right to set a new rate at the expiration of the one or 3 years' period, there would be no interest problem. A life insurance contract is non-cancellable by the issuing company. The insured may quit, but not the company. So long as the premiums are paid, the contract goes on.

Life insurance companies issue level premium policies; that is, they agree to insure a man or woman for the whole of life at a certain fixed annual premium. Naturally, that premium is more than sufficient to cover mortality cost in the early years, because the time will come in later life when the premium will not be sufficient for that purpose. The overpayment in the early years is set aside and accumulated with interest from year to year to provide money for the higher mortality to be expected later on. This accumulated fund is called "Reserve." In ascertaining the premium, we assume that interest on the fund will be earned at a certain average rate during the entire lifetime of the contract, which may be 50 or more years.

Decline in Earnings

Prior to the onset of the depression, the average interest earnings of Canadian life companies were approximately 6 per cent and of U. S. life companies approximately 5 per cent. We need the higher earnings in Canada, because our operating expenses are greater, owing to our widely spread population. In Canada, the average rate of interest earned by life insurance companies has dropped well below 5 per cent, and in the United States to about 4¼ per cent. An actuary of a prominent United States company stated publicly recently that new investments of his company in the past year had yielded a return of about 2 per cent.

The decline in interest earnings was very gradual at the commencement but the pace accelerated each year. The decline was hastened by default in interest payments by mortgagors and by certain municipalities, railroads and industrial corporations.

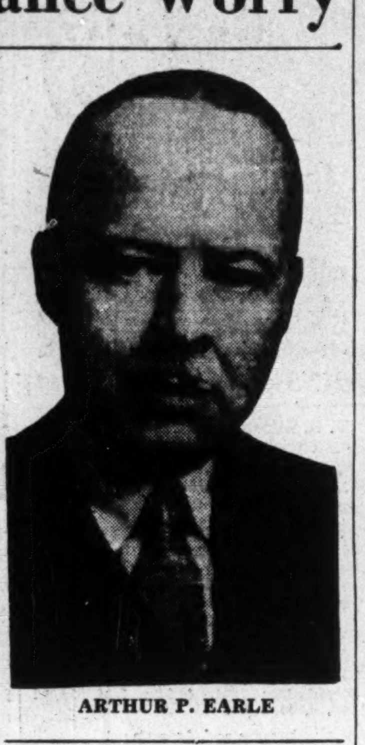
Danger Point

The cause of the advance in market prices of good investments is the immutable law of supply and demand. Corporations and individuals have been accumulating money rather than employing it for business expansion. The great decrease of foreign trade has rendered idle, banking funds otherwise employed for movement of goods. Banks have sought other avenues of investment for increasing deposits. There is a plethora of money for investment purposes and, in consequence, spirited bidding for high class securities.

Here, then, is the situation — a great accumulation of money seeking investment and not enough securities to go round. The inevitable result: mounting prices of securities. The yield of high grade bonds is at a record low level. If present prices maintain for another 5 years, the interest earnings of life insurance companies will drop to the danger point. If prices continue to advance, the danger point will be reached in less than 5 years.

Raise Premium Rate?

What is there to be done about it? The solution seems obvious: to raise the premium rates. Unfortunately, it is impossible to increase the premiums on existing contracts, and it would be manifestly unfair to assess new insurers for any loss sustained through business already in force. There would be a severe curtailment of new business if premium rates were raised to any serious extent. A marked decrease in the volume of new business would increase the mortality rate and would drive many agents out of the business. In time it would disrupt the entire selling organization, got together at great expense over a long term of years.



ARTHUR P. EARLE

A tightening up of underwriting practices has brought some relief but I would deplore any further steps in that direction. A lowering of expenses is another possible solution but that is not easy to bring about, especially as we are threatened with increased taxation, and also as so much has been done in the past 4 or 5 years to reduce expenses.

Participating insurance has proved its value during these trying years. Under a participating contract, the company says to the insured: "We will charge you a little more than is necessary to carry out the terms of the contract, if things go along as we anticipate. The over-payment will be returned to you each year or every 5 years. Then, if unforeseen circumstances should develop, and so our calculations be upset, the higher premium will enable us to fulfill our obligation to you. In this manner there will be assured, come what may, the payment of one hundred cents on the dollar to dependents on the day due. This is fundamental to life insurance companies, to furnish absolutely safe protection."

Non-participating premiums have shown an upward tendency recently and are due for further increases. However, despite the safety-value of participating life insurance and the increase of non-participating premiums, the life insurance companies see breakers ahead, if interest rates continue to fall. If we increase our premiums now and it is later found to have been unnecessary, we will be accused of pirating. If we delay such action and conditions get worse, it will be just too bad for us.

Investment of life insurance funds has become an exceedingly difficult problem.

Defaults Widespread

I have referred to defaults in interest payments on municipal and corporation bonds. In Ontario, municipalities are in default as to interest on about $100 millions of bonded indebtedness. In prosperous times we built up a tremendous pulp and paper industry in Canada. Then newsprint prices dropped to low levels and most of our paper companies were forced to suspend interest payments. This affected hundreds of millions of dollars of bonds —paper bonds proved an appropriate name for them.

The ugly word "repudiation" has come to have meaning in Canada, despite our heritage of Anglo-Saxon traditions. Ontario repudiated legal and binding contracts entered into between it and certain hydro-electric power companies. Now Alberta has announced forcible reduction to 2½ per cent in the interest payable on all its bonded indebtedness, and this, despite the offer of the federal government to assist Alberta in meeting its honorable obligations. Such action by Alberta is sheer dishonesty.

Disease is Infectious

The trouble with actions of this nature lies in their effect on others. It is catching, like the measles or whooping cough, and far more dangerous in results. Already we are threatened with similar action by other governing bodies, including our Montreal. There are also loud outcries from many quarters for legislative action to enforce a reduction in the rate of interest on existing real estate loans. It seems to be forgotten that dishonesty does not pay and that the destruction of credit will have far-reaching consequences.

Can it be wondered that investment officials of life insurance companies are harassed and care-worn, and that actuaries are in a quandary? All signs point to low interest rates for several years to come. Foreign trade will not be revived until international currency is stabilized and until suspicion and mistrust among nations are things of the past. There are distinct threats of another European war, though no one can say what the line-up of the belligerents will be, or over what issue the war will be fought. Further currency inflation in the United States and Canada seems inevitable.

Sees Light Ahead

However, despite the gloomy outlook, I refuse to be unduly depressed. Some light is beginning to penetrate into the council chambers and governing bodies are commencing to realize that the people will revolt at further taxation increases. Budget balancing is being essayed in various of our provinces and the federal government is instituting economies of operation. What we need above all else is honesty and economy in government. Then will confidence be restored, to the end that business and industry will commence a policy of expansion. Obsolete plants and machinery will be replaced, new additions built, new industries established. Thus will the wheels of progress be set in motion.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
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OUR plan of mutual fire insurance will not only give you full protection in a sound, reliable company — it will also earn you dividends of 20% to 30% each year.
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The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, *Supreme Chief Ranger*. HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

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Pandora CIGARS
Buy a box of 10 . . .
Smoke Three
. . . if they do not satisfy you, return the original box with the remaining seven to us any time before September 1st, 1936, and we will refund to you the full purchase price.
Astor 10c.
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H. SIMON & SONS LIMITED
MONTREAL, P.Q.
Quality Cigar Makers for 60 Years

Canada Life Rate Stays Unchanged

Directors of Canada Life Assurance Co. have authorized continuance of the company's present dividend scale for the last six months of 1936.

The total rate of interest on dividends and proceeds of policies left on deposit with the company is also being continued.

That is, interest on such funds will be paid at the rate of 3½ per cent where excess interest will become payable during the last six months of 1936.

Life Sales Up Five Per Cent

All Provinces But Quebec Show Improved Business

Sales of new ordinary life insurance in Canada gained 5½ per cent in May compared with corresponding figures for 1935. The total of slightly less than $29 millions is compiled by Sales Research Bureau from returns of 19 companies with 90 per cent of total business in force in Canada and Newfoundland. The figures are on a paid-for basis but are exclusive of annuity and pension bond sales.

Improved business was shown in every province except Quebec, which was down over 4 per cent, despite total sales of $7 millions. British Columbia showed the greatest improvement over May, 1935, with an increase of nearly 30 per cent. Prince Edward Island was up nearly 21 per cent, and Alberta, nearly 20 per cent. Ontario, leading all the provinces with sales of $12 millions, was up 7¾ per cent.

Cumulative figures for the first 5 months of 1936 show total sales at $125 millions to be 3.8 per cent higher than in the same period in 1935.

Comparative figures for life insurance sales in the United States show figures for new ordinary business to be fractionally lower in May than in the same period last year. Group sales were up 17.7 per cent, while industrial business was higher by 7 per cent. For the 5 months of the year total insurance sales are lower by 4 per cent due to a decline in ordinary sales of 10.2 per cent.

Comparative figures for Canada and Newfoundland follow:

ORDINARY LIFE SALES*
(a) Sales by Months, 1933-1936
($ 000 omitted)

	1933	1934	1935	1936
Jan.	28,928	27,728	32,988	34,221
Feb.	28,095	29,036	28,716	30,474
March	31,768	32,564	31,416	31,664
April	30,501	33,296	28,900	30,147
May	31,916	33,184	27,423	28,977
June	34,114	32,277	32,112	.....
July	32,165	33,951	32,155	.....
Aug.	29,749	26,659	26,854	.....
Sept.	27,443	26,123	26,696	.....
Oct.	33,434	31,342	30,416	.....
Nov.	36,061	35,863	35,158	.....
Dec.	36,967	37,691	36,550	.....

(b) Sales by Provinces (includ. Nfld.)
($ 000 omitted)

	May 1936	May 1935	April 1936
British Columbia ..	2,373	1,836	2,227
Alberta	1,308	1,095	1,195
Saskatchewan	961	931	925
Manitoba	1,598	1,471	1,554
Ontario	12,902	11,974	13,542
Quebec	7,848	8,195	8,606
New Brunswick ..	714	637	765
Nova Scotia	954	930	973
Prince Ed. Island ..	87	72	81
Newfoundland	232	282	279
Total	28,977	27,423	30,147

* As compiled by Sales Research Bureau of Hartford from returns of 19 companies which at Jan. 1, 1936, had 90 per cent of total business in force in Canada and Newfoundland.

Insurance Inklings

J. A. FERLAND has been appointed manager in the city of Quebec for Dominion Life Assurance Co.

LEO LANDRY has been appointed district manager for city of Sherbrooke for Dominion Life.

NORMAN LANGDALE was elected president of the Regina Life Underwriters' Association recently.

S. TOUCHETTE has been appointed city manager of the industrial branch, London Life, Montreal, with offices at Maisonneuve.

CHARLES A. BUTLER, superintendent of eastern agencies for Great-West Life, recently retired from service after 23 years with the company. His territory covered the Maritimes, Quebec, Ontario, Michigan and Illinois. He ended service with the company in December, 1913.

JOSEPH GAIR has been appointed director and secretary of the firm of Allan, Killam and McKay Ltd., Winnipeg. For some time Mr. Gair has been manager of the company's fire insurance department, and was recently elected vice-president of the Insurance Agents' Association of Winnipeg.

SCOTT K. CASSILL has been appointed branch manager at Seattle, Washington, for the Manufacturers Life. He succeeds **F. A. NICHOLSON**, who has assumed the duties of manager at Winnipeg.

NOTICE

Notice is hereby given that the NATIONAL SECURITY FIRE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-267 authorizing it to transact in Canada the business of Fire Insurance and, in addition thereto, Earthquake Insurance, Tornado Insurance, Hail Insurance, and Sprinkler Leakage Insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company.

H. C. MILLS,
Chief Agent in Canada.

Toronto, June 10, 1936.

United States Fidelity & Guaranty Company
TORONTO

HEADS EMPIRE

L. T. Boyd, general manager of the Empire Life, which has recently established its head office in Kingston, Ont., following the absorption of the Mutual Relief Life.

Other appointments following the merger include: J. Ross Paterson, treasurer; H. H. Blakeman, actuary; W. T. Fortye, secretary; J. S. Delahaye, M.D., medical referee.

New business paid for in May exceeded the total for both companies in the same month last year.

Regina Places City Insurance

Starts Self-Insurance Fund — Contracts Over $2 Millions

Fire insurance contracts on city-owned properties for one and three years were recently awarded by Regina. Exact amount of the insurance has not yet been actually determined, but the one-year policies will cover about $1,670,000 and the three-year about $454,000.

Under the plan adopted by the city, the three-year policies will be distributed between the Regina Insurance Agents' Association and seven independent companies, all at a rate of $1 per $100.

The one-year policies are distributed as follows: 40 per cent to the Regina Insurance Agents' Association, at a rate of 84 cents per $100, and with a limit of 5 shares to any one agent; 50 per cent to seven independent companies at a rate of 75 cents per $100, and with the same agents restriction; and the remaining 10 per cent will be carried by the city itself.

Some of the civic officials characterize the carrying of 10 per cent by the city as the first step toward establishment of a mutual insurance organization among urban centres of the province.

In addition to the tenders accepted, a bid was made by Lumbermen's Underwriters Alliance at the rate of 70 cents per $100 for three-year policies and 50 cents a $100 on the single year contracts. These quotations were not accepted as the council felt the rate was too low.

Ontario Equitable Life Plans Meeting July 6

Formal notice has been sent to shareholders of Ontario Equitable Life & Accident Insurance Co. of a meeting to be held July 6, to approve the agreement to transfer the company's assets to a new federal company called Equitable Life Insurance Co. of Canada. The meeting follows the incorporation of the new company at Ottawa, which recently received royal assent.

Shareholders in the existing company will receive one new share of stock of $25 par value against which $5 will be paid in, for every share now held in the Ontario company. Another important change will be the extension of the new company into the field of participating insurance.

Senate Body Hits Annuities

Special Committee Brings Adverse Report on Operations

Sweeping recommendations in respect of government annuities were passed by the Senate last week as a result of the acceptance by that body of the report of Hon. F. B. Black, chairman of the special committee investigating operation of the government annuities branch.

Major recommendations of the committee followed closely the suggestions made in previous press reports. They may be summarized as follows:

1. That up-to-date mortality tables be obtained and used by the department, said tables to be revised from time to time to keep them up to date.
2. That the interest rate upon which annuities are based should not exceed 3½ per cent, this to include cost of administration, salaries and commissions, if any.
3. That the interest rates be subject to change from time to time in accordance with the cost of money as is done in the British annuities system.
4. That a continuous audit be maintained for the information of the minister in charge of annuities and the minister of finance.

Loses Substantial

In presenting his report Sen. Black drew attention to the fact that the annuities branch estimates the loss on operations in the past year to be about $400,000. He noted, however, that the evidence submitted by others indicated the loss "was probably greatly in excess of this amount."

"The evidence shows," says the summary report, "that under the present rate charged by the Canada Life an annuity for a man aged 50 is computed at 16.93 times the revenue. That is to say an annuity of $1,000 a year would cost $16,930, whereas at the present rate of government annuities it would cost him only $13,970. This one annuity would show a loss under our present plan to the government of $3,000 or a loss rate of about 22 per cent. In other words, the mortality table used by Canada plus the interest rate is 22 per cent out of line with the present rate being used elsewhere."

Gap in Interest Rate

Respecting the interest rate on which the annuities branch operations are based—namely 4 per cent, the committee pointed out that at the time the measure was enacted this was a reasonable rate, but since then changes in money rates have made it necessary for insurance and other annuity groups to reduce their rates while the government rates remained unchanged.

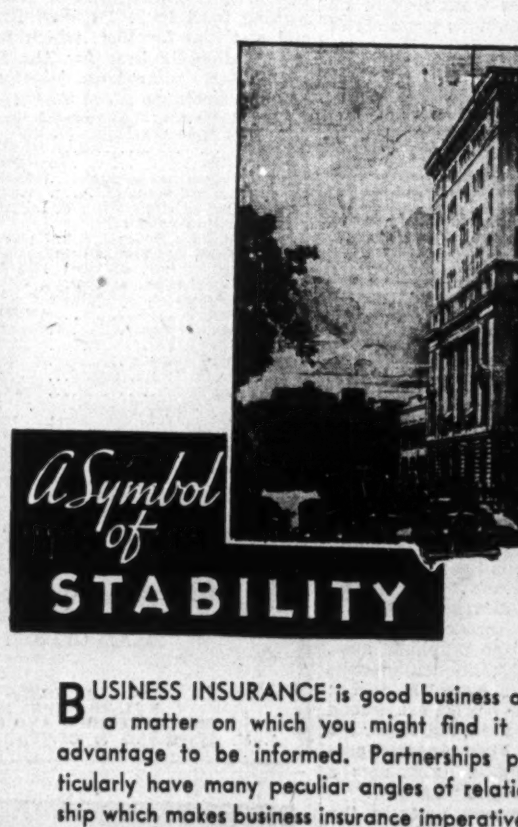
"The evidence of A. D. Watson, chief actuary of the department of insurance, indicates that the interest rate which the government is paying for the money which it obtains through the sale of annuities when all costs of management, administration, etc., are taken into account is between 6 and 6½ per cent."

Operation of Branch

As to whether or not the annuities branch might be better placed or amalgamated with some other department than that under which it is now placed, the committee made no recommendation, feeling this was a matter of government administration and should be left in the hands of the government.

The evidence of Professor McKenzie is quoted, however, who urged that: "We have in the government service an insurance department properly equipped with capable men whose business it is to understand such things as this. Whatever else we do with the annuities branch it seems to me that if we are going to make any change at all we should arrange for the closest co-operation and check-up between the two—it does not appear reasonable that there should be no co-operation and check-up between the two departments. If provision is made for them to co-operate I think we should be safe for the future."

Although strong representations were made in the senate that the government should consider the committee's previous suggestion—namely, to discontinue the issuance of annuity contracts until investigations have been made, no action was taken, although Hon. Raoul Dandurand promised to bring the matter before the attention of the government.



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We will give you information on this vitally important matter if you desire it. Address your inquiry to our Head Office or to our nearest Branch Office.
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WINNIPEG

Since 1865
The Sun Life Assurance Company of Canada has been providing protection and future security to policyholders and beneficiaries by means of a variety of practical life insurance plans.
To-day Agencies of the Sun Life of Canada encircle the globe — 133 Branch organizations are maintained in 39 countries on five continents and the Sun Life is doing business in 40 states of the U.S.A.
The international character of the company provides unique facilities for the service of its clients in whatever part of the world they may reside.
There is a Sun Life Policy for every requirement and the Sun Life Representative in your community is at your service.
SUN LIFE ASSURANCE COMPANY OF CANADA
1865 1936

STABILITY
For 88 years the Prudential Assurance Company Limited of London, England, has been building on a sound and stable basis. Millions of assured have recognized the value of this stability and have placed well-founded confidence in this—the Empire's largest Insurance Company.
It was this stability which made it possible for Prudential to increase dividends to life policy holders during the years of depression.
For protection and investment seek the stability which is synonymous with Prudential.
Prudential's total assets exceed $1,510,000,000.00.
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LIFE — FIRE — CASUALTY

"This FAMILY INCOME POLICY Looks Good to Me!"

HERE is an outline of one of the Family Income policies available from The Mutual Life of Canada, and which provide ideal protection for you and your family.
$100 a Month to your beneficiary from your death to the time when you would have been age 65 had you lived.
Dividends during the entire life of the policy.
$10,000 additional cash to your beneficiary at the time when you would have reached age 65.
A Monthly Income, or cash, for yourself if you live until age 65.
An Actual Result
This is the story to date of the first claim paid by The Mutual Life of Canada under a family income policy. (A $5,000.00 Policy.)
Policy No. 391,815
$5,000 Issued in July, 1932
This policyholder died of heart disease at age 39, less than two years after he became insured.
His Premium Deposits totalled $328.70
The Mutual Life has to date sent his widow 24 monthly cheques of $50.00 each plus excess interest dividends of $241.50. Total $1,441.50
These monthly cheques will continue until 1960. Total $14,500.00
In 1960 the Company will pay the face amount of the policy $5,000.00
Total $20,941.50
In addition, excess interest dividends will be paid yearly.
You may often have asked yourself, "Is there any way I can own enough life insurance to really make my family comfortable—not just eke out an existence?" Does this plan answer your question? The policies outlined above are only two examples of the many family income plans available from the Mutual. For literature and full particulars regarding a policy at your age get in touch with our local representatives or mail the coupon below.
MUTUAL LIFE OF CANADA
HEAD OFFICE Established 1869 WATERLOO, ONT.
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The Mutual Life Assurance Co. of Canada, Waterloo, Ontario.
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Week in Wheat

Crop Deterioration Backs Price Advance

Drought Which Damaged American Spring Wheat Now Threatening Southern Saskatchewan — Forecast Big July Sales

From Our Own Correspondent

WINNIPEG.—Continued deterioration in the spring wheat crop of the United States, due to heat and rust has added fresh underlying strength to all markets. Added to this has been growing apprehension that the crop of Southern Saskatchewan might also be involved. Although on the Canadian side of the line there have been better rains and milder temperatures, continued substantial precipitation will be necessary to make a satisfactory crop.

Until a few days ago the Canadian situation was regarded as generally satisfactory. But a good deal of the crop, in Saskatchewan at least, is in a vulnerable position should dry weather continue for any lengthy period. Temperatures as high as 96 degrees were reported from that province early in the week.

Smaller world shipments last week meant a corresponding reduction in Canada's share, which fell below five million bushels. But trade expectations are that Canada will do a large business during July. Such a reduction, combined with the fact that a larger proportion of Canadian shipments than a few weeks ago has been going from Vancouver, has reduced the movement of grain down the lakes to small proportions, as exporters find themselves with plenty on hand in forward position.

Market Realizes Surplus is Going

GRADUAL disappearance of the unwieldy world wheat surplus which has been a dead weight on international markets since 1929, is at last having effect. For months it has been obvious that it would be largely out of the way before the beginning of another crop year. But it is only now, toward the close of the crop year, with the total world supply of wheat daily lessening by some millions of bushels, that the full effect of its disappearance is beginning to be felt.

Moreover, nowhere, except in Canada, is there any large concentration of old supplies. United States carry-over will not be unduly small, but it is effectually segregated from the rest of the world by the poor crop now in prospect there. The remaining supplies in the southern hemisphere are small. France and Portugal seem to have come to the end of their surpluses which they were willing to export under subsidy. The Balkan countries, although they are expecting a good crop this year, have practically no old wheat left. And elsewhere in Europe the supplies of old wheat, whether on farms or in commercial hands, are down to small proportions.

* * *

World Crop Summary

UNDER such conditions the market begins again to be susceptible to the prospects for the coming crop. These appear to be only fairly good for Europe generally, while Northern Africa has produced a small crop. A good deal of the wheat acreage in Russia seems likely to turn out poorly. Argentina has seeded her new crop under favorable conditions, and conditions in Australia are now regarded as fair, but it will be March before wheat from those countries is available in large quantities in Europe. For months yet it is apparent that Great Britain and the Continent must look to Canada for an unusually large proportion of their imported supplies.

* * *

No U. S. Surplus

IN THE United States it is now recognized that the country will not produce an export surplus this year. At all events the "ceiling" of prices for the general crop has been definitely lifted. It may go as high as internal conditions warrant, subject only to the possibility of Canadian wheat being imported over a 42-cent duty. Human consumption is expected to be higher than usual and shortage of coarse grains may result in more low-grade wheat going to livestock.

* * *

British Criticism

DAMNED if you do and damned if you don't appears to be the attitude of certain British millers toward the Canadian Wheat Board. A few months ago when Canadian wheat was being held back in the hopes of higher prices there was a continual barrage of criticism from the Old Country. Now when the opposite stand has been taken by the new board critics have gone on another tack. In certain quarters the claim is made that more grain would have been sold had firmer prices been asked. However the general consensus of opinion in Great Britain, seems to agree with the recent sales policy adopted in Canada

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1936, to shareholders of record of the 20th June, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 14th May, 1936.

Canada Bud Breweries Limited

Notice is hereby given that a dividend of Forty Cents (40c) per share on the 150,000 outstanding no par value common shares of Canada Bud Breweries Limited, has been declared payable on the 20th day of July, 1936, to shareholders of record at the close of business on the 30th day of June, 1936.

By order of Board of Directors.

E. J. KAY,
Secretary-Treasurer.

Toronto, June 22nd, 1936.

Brewing Corporation of Canada Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty-seven and one-half cents (37½c) per share on the Cumulative Sinking Fund Convertible Preference Shares of the Company has been declared, payable on the 15th day of July, 1936, to shareholders of record at the close of business on the 30th day of June, 1936.

By Order of the Board.

W. C. BUTLER,
Secretary.

Toronto, Ontario, June 23, 1936.

DIVIDEND NOTICES

Biltmore Hats Limited

NOTICE is hereby given that a half-yearly dividend of one dollar ($1.00) per share has been declared on the outstanding common shares of the Company, payable July 15, 1936, to shareholders of record June 30, 1936.

By Order of the Board,

W. F. FRANKE,
Secretary-Treasurer.

Guelph, June 23, 1936.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 281

EXTRA DIVIDEND NUMBER 29

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 14th day of July, 1936, to shareholders of record at the close of business on the 29th day of June, 1936.

Dated the 22nd day of June, 1936.

I. McIVOR,
Assistant-Treasurer.

QUALITY CONTROLLED
COURTAULDS
CANADA
SIZE --

COURTAULDS (CANADA) LIMITED

In June, 1925, Courtaulds Limited, started in Cornwall, Ontario, manufacturing Rayon, the synthetic textile yarn now used in over a hundred Canadian factories.

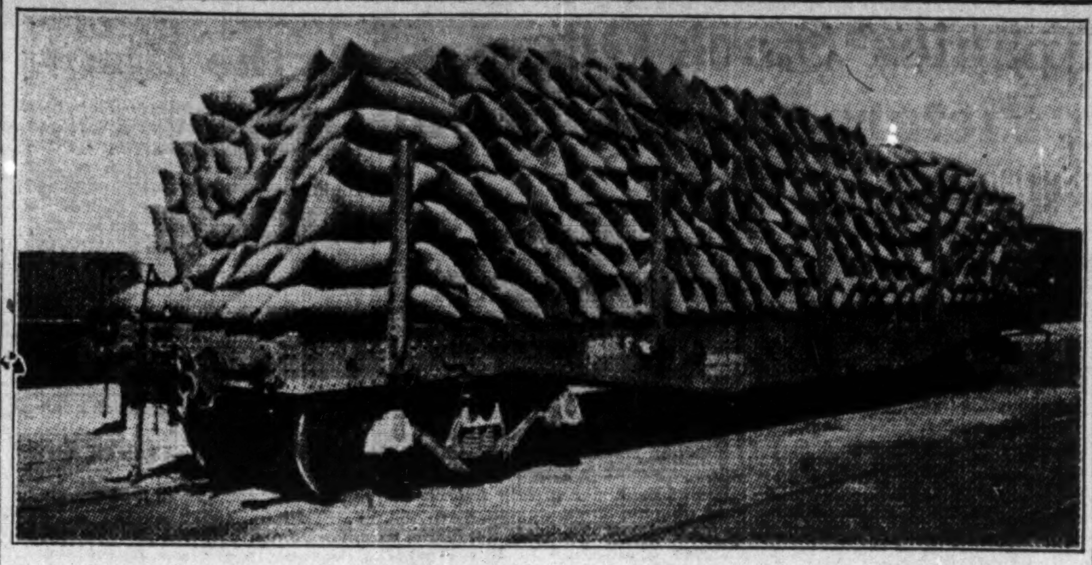
Ten years ago Rayon was called artificial silk. As a new product it was regarded with suspicion. Today its consumption requires a manufacturing capacity of over 160,000 pounds each week, and an annual payroll of almost $2,000,000.

Thus the century-old British manufacturers of silk fabrics then known as Samuel Courtauld & Co. Ltd., becomes a great Canadian enterprise with a modern product, which by modern merchandising has won popular acceptance.

Courtaulds "Quality Controlled" Rayon is advertised in—

Maclean's
Canada's National Magazine

◆



WHEN ELEVATORS ARE LACKING

This is the method of handling wheat in Australia. Laboriously and expensively bagged at the point of production, it is hauled to the railway on special wagons, stacked on railway cars, stored on open platforms and finally shipped to Britain or the Orient. During the occasional rains in Australia, the stacks of sacks are covered with tarpaulin. The same method is still followed in the Argentine, though completion of a $28 millions elevator system by 1940 will introduce bulk handling as is followed in Canada. Incidentally the change-over in the Argentine will spell the doom of a large part of the present $13 millions annual import of jute for bag making from India.

Raise Unlikely In Fixed Price On New Wheat

Lower Government Guarantee Seen for 1936 Wheat Crop

TO WAIT AWHILE

From Our Own Correspondent

OTTAWA.—While crop prospects in the west are still uncertain, the government is giving anxious thought to the wheat marketing policy for 1936. Developments in the past week have been favorable and, while the prairie crop has escaped serious injury, prices have been tending upward.

Demands from western farm organizations for a minimum price of 95 cents per bushel, basis No. 1 Northern, Fort William, have been received in cabinet circles with a complete lack of enthusiasm.

Board Will Continue

There is no doubt as to the continuation of the Murray Wheat Board for at least one more year. There is no doubt either that the board will continue to function as in the past. The government has no intention of proclaiming the compulsory marketing sections of the 1935 Wheat Board Act and thereby suppressing the Winnipeg Grain Exchange.

Under the statute the fixed price is arrived at by the cabinet after receiving a recommendation from the Wheat Board. The price for 1936 has not yet been considered in a serious way, but the main factors to be taken into account are evident. The recommendation from the Wheat Board undoubtedly will be influenced by 3 considerations: the amount of the boards carry-over July 31, the size of the new crop, the prospects of world supply and demand.

Carry-over Away Down

The board's carry-over will be much lower than expected. In fact, the cabinet does not know the precise amount of wheat in the control of J. R. Murray and guaranteed by the government. Mr. Murray preferred not to tell the Commons wheat committee the details of his position and the committee did not press for information. The understanding at Ottawa is that the cabinet is in much the same position and that, in fact, only 2 or 3 on the Wheat Board know the figures. The board's policy is to encourage uncertainty. It is known the board's holdings are substantially less than the visible supply. A considerable amount of the wheat now in the country is owned by private interests—not by the board. The speculative attraction of wheat has been growing steadily in the past 8 months. That the board will own wheat or contracts on July 31 running to more than 100 million bushels is very unlikely.

In addition to these factors, there is a firm determination at Ottawa to fix a 1936 price which will not involve the treasury in loss. The price of 87½ cents of last year will cost the government heavily. Carrying charges have been accumulating and much of the wheat has been sold below 80 cents.

Talk 70 Cents

If the new crop is large and world conditions are not promising, the initial price may be cut as low as 70 cents per bushel. If market conditions are promising it may be left as it is. There is not much chance of it being raised, as western farmers are demanding.

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
2nd July, 1936,
to Shareholders of record on the books of the Company at the close of business on 13th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 2nd, 1936, to shareholders of record as at close of business June 15th, 1936.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

Britain Said Preparing To Alter Flour Standards

From Our Own Correspondent

WINNIPEG.—British millers are believed to have lately bought some durum wheat from Canada with the intention of trying it out as a filler wheat in the milling mix for bread flour. Durum wheat is largely grown in Manitoba where over a million acres or approximately 40 per cent of the 1936 average is estimated to be of that variety. About half a million acres is grown in Saskatchewan, but very little in Alberta. Nearly 7 per cent of the total Canadian wheat average would be Durum.

Usual composition of the British milling mix is some soft white wheat, such as native or Australian, for color, some Canadian or other hard wheat to provide strength, and a considerable quantity of "filler wheat" of which the main requirement is that it should give a high flour extraction for the quantity used.

Argentine Wheat Expensive

During recent years Argentina has supplied most of the "filler wheat" for British mills, and its low price made its use attractive. But Argentine wheat, because of its recently higher asking price, and the duty of six cents a bushel, is not now available to the British miller. Consequently the latter is looking elsewhere for a substitute. In consequence, a good deal of Canadian No. 4 wheat has been taken by the mills in Great Britain. Vancouver 4's were lately reported to be most satisfactory for this purpose, embodying more nearly the characteristics required than 4's from Atlantic ports.

High grade Canadian wheat is so cheap at present that it could be used exclusively and still produce an inexpensive flour, but both mills and bakers have become accustomed to turning out a weak flour. Should, however, the present price relationship between Canadian and other wheat continue into the new crop year, observers in England expect the British milling mix may be altered materially in favor of Canadian bread wheat.

The millers know that Australian wheat will be comparatively scarce during the remainder of the calendar year, that French wheat is not likely to be offered to them in quantity, and that they are not likely to have any Argentine wheat until a new crop is produced in that country.

But they are commencing to figure on the use of some Danubian wheat at the beginning of a new crop year, and they are not yet sure that they will not be offered some wheat from the United States, particularly from the North Pacific Coast, where soft white wheat may shortly be selling at a considerable discount under prices quoted in Chicago.

Threat of a trade war between Japan and Australia, of course, may alter the whole situation as the latter country in the event of a Japanese boycott would have to depend more largely on Britain as an outlet for its surplus of soft white wheat.

New Wheat

The wheat crop of British India has been revised downward with prospects now that it will only furnish sufficient for normal domestic requirements. A few years ago India was an important exporter.

* * *

Light rains have slightly improved the outlook for newly-seeded wheat in Australia but the situation in that country still remains rather critical.

* * *

General outlook for wheat in European countries is reported only fair with too much rain in Hungary and cold weather in France.

* * *

Russian wheat conditions are understood to vary from good in the central districts to poor in the Ukraine where the weather has been dry.

Little Fluctuation In Storage Holdings

Aside from dairy products and frozen fish, there is not a great deal of change in cold storage stock at June 1 from the same period a year ago.

Total butter holdings show a big jump from slightly over 6 million pounds a year ago to almost 11 million pounds this year. There is an increase of approximately 2 million pounds in cheese, to 14 million. Very little change is reported in eggs, and only a moderate increase in supplies of beef.

Fresh and frozen fish are up, slightly over 8 million pounds a year ago, to over 11 million pounds on June 1.

See Little Hope In French Market

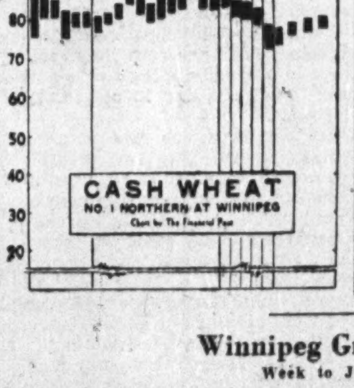
There is little hope of Canada greatly increasing her exports of wheat to France, according to Professor Henri Erhart, of the University of Strasbourg, France. Prof. Erhart is at present making a study of Canadian wheat growing.

Once Big Importer

Formerly, France imported 10 per cent of its wheat from Canada, but this has more than been cut in two. It is relying on North Africa for hard wheat similar to Canadian. But cost of production there, according to Professor Erhart, is very high. Apparently, fear of war which might dislocate Atlantic trade is largely responsible for the French people paying a big bonus for home production.

In any case, however, Professor Erhart believes Canada will never get more than 10 per cent of the French flour market, because his people prefer a highly flavored bread such as that produced from the French wheat. In comparison, he said, bread produced from flour made of a large proportion of Canadian wheat is almost tasteless to the French palate.

Wheat Prices



(Cash Quotations)

At Winnipeg:	For Week June 23 High $	For Week June 23 Low $	Prev. Week High $	Prev. Week Low $
1 Man. Hard	.85⅝	.80⅝	.81⅛	.79
1 Northern	.83⅝	.78⅝	.79⅞	.77¼
2 Northern	.81	.76¼	.77½	.74⅝
3 Northern	.77⅜	.72⅝	.73⅞	.71¼
4 Northern	.73⅛	.68⅝	.69⅝	.67
5 Wheat	.65⅜	.60⅝	.61⅞	.59½
6 Wheat	.61⅜	.55⅝	.56⅛	.53
Feed Wheat	.49⅜	.44⅝	.45⅞	.43
Vancouver: Week to June 22:				
1 Northern	.80⅞	.76⅛	.77⅜	.74½

Competitive Export Prices:
(June) shipment.

	High Week to June 19	Low Week to June 19
No. 1 North. (Vanc.)	0.93⅞	0.90¾
No. 2 North. (Atlan.)	0.91½	0.88⅝
No. 2 North. (Vanc.)	0.92¼	0.89½
Hungarian*	0.81¼	0.80⅛
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.93¾	0.89½
Australian	0.94½	0.90¾
French	0.79⅛	0.77⅝

*Old and new crop, July-Aug. shipment.

Winnipeg Grain Futures

Week to June 23, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open June 17	High for week	Low for week	Close June 23
		Wheat				
.92⅞	.73⅛	July	.78¾	.83¾	.78	.83¾
.89	.74⅝	Oct.	.79⅛	.83⅝	.78¾	.83½
.80¼	.76½	Dec.	.79¾	.84	.79	.84
		Oats				
.33⅜	.30	July	.31⅝	.32	.31½	.31¾
.31⅞	.29⅜	Oct.	.29⅜	.31¼	.29⅜	.30¼
.30	.28¼	Dec.	.28¾	.30	.28⅛	.29⅝
		Barley				
.40¼	.35⅝	July	.37	.38⅛	.37	.38¾
.40¼	.34⅛	Oct.	....	.38¼	.35⅝	.38
.39¼	.38	Dec.	....	.39¼	.38	.39
		Flax				
1.63	1.40¼	July	1.46½	1.50⅞	1.46	1.49
1.49¾	1.37½	Oct.	1.43	1.49¾	1.42¾	1.48½
		Rye				
.48¾	.39⅛	July	.42¾	.48¾	.42¾	.48¼
.50¼	.41⅛	Oct.	.44⅛	.50¼	.44½	.49⅝
.51⅛	.42	Dec.	.....	.51⅛	.45	.50⅝

Make Plans To Replace Market Act

Voluntary Scheme to Follow Supreme Court's Turn-down

B. C. ACTS PROMPTLY

From Our Own Correspondent

OTTAWA.—The fate of the score or more of marketing schemes, of the parent statute, of the tens of thousands of producers whose livelihoods are involved and of the millions of dollars tied up in products now marketable under the various boards, as well as the scores of civil servants engaged in administration work—all these will be held in abeyance until the government has had an opportunity of studying the Supreme Court judgment in detail. A new voluntary statute is planned.

The unanimous nature of last week's decision makes appeal to the Privy Council unlikely, despite Rt. Hon. R. B. Bennett's recommendation that one or other of the actual schemes be so tested.

Many Schemes

The schemes in existence, of which 15 are now active, cover:

- In British Columbia—
  - Tree fruits
  - Red cedar shingles
  - Salt herring
  - Halibut
  - Salmon
  - Milk (lower mainland)
  - Interior vegetables
  - Coast vegetables
  - Small fruit
  - Hothouse tomatoes
  - Sheep
- In Ontario—
  - Tobacco
  - Beans
  - Cheese
- In Nova Scotia—
  - Apples
- In New Brunswick—
  - Grand Manan smoked herrings
- Generally—
  - Jam
  - Potatoes (East. Canada)

Plan New Voluntary Act

It is believed inevitable that so far as these schemes depend for statutory life on the Dominion law, they will collapse. But the Dominion government has in mind a new marketing act which will be drafted this fall and introduced next session. This proposed act will be voluntary, not compulsory, and will be concerned, primarily, with interprovincial and export trade. No effort will be made compulsory to regulate production. In addition several of the provincial governments and grower organizations are working out schemes of their own.

In view of this intention, the main staff of civil servants will probably be carried through this year.

A vote of $350,000 in the supplementary estimates will be used, under the Fruit Act (which confers authority over export trade) and as a straight matter of departmental administration, to encourage the export movement of agricultural products. The civil service employees will probably be used in this connection and the nucleus of a marketing branch in the Department of Agriculture will be formed during the parliamentary recess.

B. C. Prepared

From Our Own Correspondent

VANCOUVER. — Invalidation of the Natural Products Marketing Act was a stunning blow to the Okanagan fruit-growing district, where the whole system of sales has been developed on the basis of the law now nullified.

The provincial government moved swiftly to put into effect a measure that might take the place of the outlawed act. At the last session of the legislature authority was granted to marketing boards to fix prices of agricultural produce. Now that the federal law is invalidated the provincial measure has been rushed into operation in the hope that it will control sales within British Columbia even if marketing in other parts of the Dominion will be thrown into temporary confusion.

Other industries regulated by the marketing act were production of salt fish, halibut and shingles. Just what they will do about the situation remains to be seen. Some other form of control will probably have to be adopted by the shingle manufacturers, as they were able to conform with United States import quota requirements through regulations provided in the marketing act.

Some Confusion

Leaders of the fruit industry believe they can control exports by a system of licensing under the provincial act, but the government is inclined to doubt this, since it would be doing indirectly what the province is forbidden to do directly.

Regardless of the effect of the Supreme Court judgment on export products such as fruit and fish, the provincial law will in any event serve to continue stabilization of the dairy industry, which is of purely provincial operation.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Czechoslovakia — Increased raw material imports against declining exports of manufactured goods in April developed adverse trade balance for first 4 months of 1936.

Denmark — Economic conditions improved moderately during the first quarter.

Egypt—Exports—principally cotton—declined in March.

Irish Free State—The level of industrial and agricultural activity is higher than a year ago.

South Africa—Commercial conditions at a satisfactory level, mining operations are expanding, and import trade remains heavy.

Australia—Business activity continues to improve, with increasing industrial production and retail sales.

Venezuela—The general trend of conditions appears favorable during first 5 months of 1936.

Colombia — Some improvement noted in business during May, as compared with April.

Peru—Reported good cotton crop and continually increasing foreign trade; manufacturing and mining industries operating at high levels.

Hawaii—Shipments of raw sugar and canned pineapple steady.

Philippine—Copra is steady, with upward price tendency.

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EST. 1857

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PETE OUTPUT MAINTAINED

International Petroleum Co. reports crude output in May for Peru at 1,308,650 barrels and for Colombia at 1,598,544 barrels, or 2,907,194 barrels in all.

For the first five months output was 6,016,631 barrels in Peru and 7,732,378 barrels in Coluhbia, or 13,749,009 barrels in all. Rate is a little down for Peru and a little higher for Columbia, but so far total production is about the same as in 1935.

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The Week in Mining

Turner Developments Grab Mining Spotlight

Crude Strike Hailed in Authoritative Sources — Stresses Need For Conservation

Western Canada got aboard the current boom on the mining market this week, on the strength of the crude oil strike made by Turner Valley Royalties on the southwest flank of the Turner field. As a result of this strike, in which many different concerns have an interest, western oil stocks started climbing on eastern and western exchanges, and enjoyed one of the most active periods in many months.

Without in any way attempting to pass judgment on the new development, there are certain facts in connection with the discovery which no one will deny. In the first place the discovery of crude oil, which has been the objective of a quarter century hunt, would be of utmost importance not only to Alberta but to Canada. At the present time about 97 per cent of the crude oil used by Canada is imported. Crude, of course, is necessary for mixing with Alberta naphtha to make gasoline.

In the second place it is not entirely unreasonable to expect that a crude deposit might be located somewhere in this area. Geologists, in any event, have expressed their faith in such a possibility for a number of years.

Then the quality of the product just found does not appear to be in doubt, being, according to reliable reports, about 50 beaume gravity. As for the quantity, the well is reported now to be yielding between 700 and 1,500 barrels a day.

Fuller details of the development, termed by Hon. C. C. Ross, minister of natural resources, the most important in the history of the Valley, will be found in another column.

Impetus to Deep Drilling

IT WAS inevitable, of course that western oil men, with their surefire enthusiasm should have greeted the strike as definitely proving the existence of a huge pool or reservoir in the southwest area of the field. Nine or ten such wells might be justification for such a belief, but with only one high grade gusher brought in at present, the existence of a "reservoir" must remain the rosy dream it has been for so many years. But the fact that it was located at a depth of 6,800 ft. will doubtless give a tremendous impetus to deep drilling, and may go far toward proving or disproving the existence of the reservoir. The Turner Valley Royalties well is said to be the deepest well in the British Empire.

In the meantime, one may begin to think of Turner Valley as something a little more than a gas field.

• • •

War on Waste

PROBABLY designed as propaganda to influence public opinion in favor of strict conservation methods, Hon. C. C. Ross is intensifying his drive against gas wastage in Turner Valley. Speaking recently at Black Diamond, Alta., Mr. Ross stated that wastage up to March 31 last had caused a loss to the province of $104 millions, represented by 692.1 billion cubic ft. of gas which had never been captured.

The minister, who is a recognized authority on the subject, warned that if steps were not taken to prevent such waste, there might soon be no Turner Valley, and even in the immediate future, there was danger of having to use compressors, due to declining rock pressure. Such a step would, of course, materially raise the cost of production.

As a tangible step toward making his warning even more forceful, Mr. Ross' department has instituted special gas pressure tests to determine the effects of heavy withdrawals during the past 12 months. C. W. Dingman is in charge.

The necessity for such a step is generally accepted in theory but seldom put into practice. Of recent years there have been steps taken to conserve the field, but even today daily gas production is still approximately 200 million cubic ft. and still the greater part of this production is wasted after the naphtha has been extracted.

Mr. Dingman has stated that already tests have gone far enough to indicate that the situation in the north end of the valley is serious.

The charge is frequently heard in the west that the big oil companies are "holding back" production intentionally, and "sabotaging development." Ohlookers in a position to take a more objective view incline to the belief that the restricted production policy applied by the big companies in Turner Valley will prove to be one of the greatest boons to the area, and has prevented a costly and insane scramble for production by small independent operators who have not a real stake in the field.

If through the tests the west becomes fully aware of the danger involved in the present wasteful policy, and if the Turner Valley Royalties development proves of permanent significance, this will have been a year in which the valley will have made real progress.

• • •

Chibougamau and Promise

"Chibougamau was named by the Indians, and means 'Land of Promise'," states a magazine article on this Quebec gold-copper prospect. From whatever angle you look at it, this is a pretty good name. After many years the stoical Indian is still ironically right.

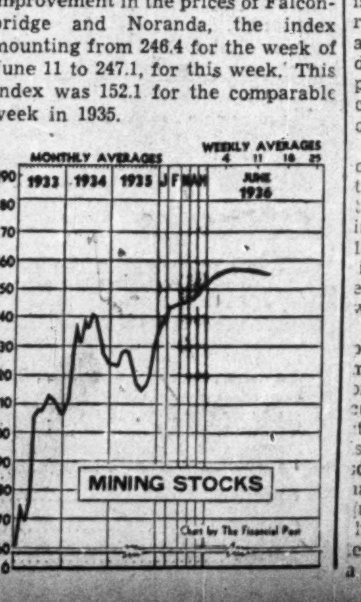
• • •

Index to Mining Stocks

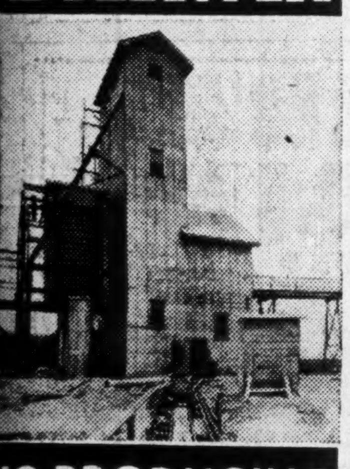
INFLUENCED by recessions in the gold stocks, the general index of mining issues declined from 157.6 for the week of June 11 to 156.9 for the week of June 18. The index for the corresponding week in 1935 was 122.0.

A decline in prices of senior golds halted the steady rise, which had extended over a period of nearly three months. The index for this group was 135.2 for the week of June 18 as compared with 136.2 for the preceding week and 115.3 for the week of June 20, last year.

Continuation of the upward movement in base metals was due to the improvement in the prices of Falconbridge and Noranda, the index mounting from 246.4 for the week of June 11 to 247.1, for this week. This index was 152.1 for the comparable week in 1935.



DARWIN



IS PRODUCING

Above: View of head frame from the west.

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Production in April, including Ball Mill cleanup, was valued at $28,000.

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The shaft has been sunk to the 800-foot level. Further interesting results are expected on the 7th and 8th levels.

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COUPON

Holding Companies' Stock Offers Interesting Picture During Boom

Leave Leeway for Limited Speculation, Yet Give Mining Investor Maximum Security If Well Managed

By WILFRID SANDERS

Canadians interested in the mining industry from an investment point of view have a fairly wide choice of companies whose common objective is to diversify the holdings of the small investor in some form or another, within the limits of the mining sphere.

During times when the market is moving fast, either up or down, shares in such companies have the added advantage of stability, their shares not being as subject to daily fluctuations as the shares of individual producing companies. To the speculator, of course, this is a mixed blessing, but to the genuine investor, it is a distinct asset.

While, as has been said, the common objective of these companies is to diversify the holdings of their shareholders, the approach to this objective varies widely, from straight mining investment trusts, to exploration and development companies.

Due probably to the fact that in the past the true investor has been inclined to be suspicious of mining stocks, leaving this field largely to the "in-and-outer," such mining holding companies have not enjoyed a great deal of popularity, except in a few isolated cases. Today, however, when it is becoming more apparent that there are opportunities for real investment in the mining business, such companies are growing in popularity among those who are looking for security rather than a quick profit in mining.

Earnings Record

If the earnings records of Canada's holding and exploration companies are compared with earnings of Canada's great gold or base metal producers, the latter show up in a very advantageous light. But such is not a fair comparison. If such a comparison were possible, it would be necessary to take into consideration the following facts:

(1) Holding and exploration companies theoretically offer a greater degree of security, their funds being spread over a greater number of "risks." Shareholders therefore should be content with lower yields.

(2) The mortality rate on a percentage basis is not nearly so great among investment companies as individual prospects, so that, to compare the two, it would be necessary to include many defunct mining concerns, and not to confine the comparison entirely to dividend paying gold or base metal mines.

(3) A great number of Canada's holding and exploration companies are the outgrowth of former producing mines whose ore has been depleted. Accordingly, it normally takes some years to acclimate the company to its new mode of living. It takes, normally, several years to place a gold prospect on a dividend paying basis. It is only to be expected that the same would be true of holding companies. Most of Canada's larger mining holding companies are comparatively young.

During times of a boom mining market, the management of a holding company, if capable and alert, is given a splendid opportunity of strengthening the cash reserves of the company and avoiding equity depreciation after the boom is over.

While the market price of most holding companies is, compared with the individual producers, a more or less stable element, it will be seen from the table below that during times when the market is moving rapidly, the market for holding concerns is not sluggish. The table shows the price of shares in 4 different types of holding companies at the first of the year, as compared with June 17:

Company	Mkt. price Jan. 2 1936 $	Mkt. price June 17 1936 $	Percentage incr. %
Anglo-Huronian	4.20	5.35	27
Ventures Ltd.	1.78	1.93	7
Mining Corp.	1.25	1.38	10
Nipissing	2.48	2.55	2

So widely do Canadian mining holding companies vary in character that it is not feasible to attempt a generalization of pros and cons. An examination of this particular investment field is therefore best conducted by a consideration of the individual companies.

Anglo Huronian

Without benefit of publicity, the stock in this company has appreciated considerably in the past few months, as will be seen from the table above. Anglo-Huronian is partly a holding company, and partly an operating company. It is no secret that the management would be glad to see it almost entirely an operating company, and that vigorous efforts are being made to develop its own gold producing property. At the present time its only operating property is the Vipond Gold Mine, in the Porcupine area of Ontario, a mine which is rapidly nearing depletion.

The company, in its present form, is not yet 3 years old, but has already built up a substantial reserve, and has paid a total of $1,002,084 in dividends. The first dividend was paid in December, 1934, when the company was slightly over a year old.

The annual report of Anglo-Huronian is not expected until some time in September. In the meantime it is known that the shares held in other companies, which at July 31, 1935, had a market value of $3.2 millions, will have appreciated considerably. It is understood that cash will also show an improvement.

Anglo-Huronian does not make public its investment portfolio. The management has the administration of investors' money which, at the current market price of the stock, stands at $6.7 millions. The administration of such funds calls for close scrutiny of the national and international picture, and resultant frequent changes in the holdings. Such changes might be subject to misinterpretation by shareholders not in a position to know the background, and officials feel therefore that publication of a complete portfolio at any given date would be neither significant or practical. This is the policy of the management as explained to The Financial Post by one of the executives.

It must be admitted that in the case of such companies as Anglo-Huronian, there is much justification for such a policy. The main advantage of an investment trust or holding company such as this is, for the small shareholder, the satisfaction that his investments are being handled by experts whose life job it is to watch the mining investment field. If he has not that confidence in the management, he should not be a shareholder of the company.

In any event, until the annual report is issued, it is only possible to hazard a guess as to what cash equity lies behind the shares of Anglo-Huronian.

It is not too wild a guess to predict that the marketable holdings of this company will have risen to around $4 millions, with the present improved market. Add to this cash of, say, $1.5 million, and bullion from the Vipond operation in transit of $35,000 and one has a liquid equity of about $5,535,000 before reserves or, on the basis of the 1,252,605 shares outstanding last July, an equity of about $4.41 per share.

But, in addition to being a holding company, Anglo-Huronian is an exploration and operating company and a considerable portion of its appeal lies in assets which have a potential value greater than can at present be estimated. It has been said that Anglo-Huronian is looking for its own dividend paying gold mine. Its best bet in this regard at present seems to be the Prospector's Airways property at Rose Lake in Quebec. In March of this year Lake Rose Mines was formed to continue development of this property. To date, this company has drifted on a total of about 300 ft. of ore, average values being in the neighborhood of 1 ounce per ton, with widths of about two and a half feet. The property is developed by a tunnel, a raise from which to surface has been in ore.

In addition, Anglo-Huronian is assisting in financing the development of Gold Lake Mines, in the Rice Lake section of Manitoba. Of this property, all that can be said is that results to date appear to justify the expenditure of further money.

Anglo-Huronian has also a share interest in Minto Gold Mines, the B. C. producer which has had a very successful year. Last July, 3,920 shares of this company were held.

Dividend in December?

In 1934, Anglo-Huronian paid 40 cents per share in dividends. In 1935, 20 cents per share was paid, and to date this year, 20 cents has been paid. Unless the company is committed to an unexpectedly large expenditure for the development of some property, it is a fairly safe bet that another 20 cents per share dividend will be paid in the form of a Christmas box for shareholders.

What might be considered Anglo-Huronian's greatest asset is its management, which has shown itself to be capable and sagacious. It is, of course, essential that in this type of company, the personnel should be expert market men, and that they should keep abreast with economic trends. Andre Dorfman, president of Anglo-Huronian, is believed to possess these attributes.

Recently impetus was given to the stock of Anglo-Huronian marketwise by the announcement that Lehman Corp. and Lehman Brothers of New York had acquired a substantial block of shares privately, and an additional 50,000 shares of treasury stock at $5 per share. Options were also granted this group to purchase another 150,000 shares of treasury stock at the same price for a period of one year.

Ventures, Ltd.

Ventures Ltd. presents a different type of holding company, in that its activities cover many fields of mining, namely promotion, holding, investment, trading, exploration, and development.

This multi-sided character has both its advantages and disadvantages. The disadvantages are, of course, that unless such companies have an unusual run of luck, much of the income from investments is spent on exploring properties many of which never turn out successful. Thus dividends are frequently delayed. In this connection, it is interesting to note that while Anglo-Huronian paid 40 cents per share in the second year of its incorporation, Ventures did not pay a dividend until its ninth year of existence, and even then the dividend, split into 2 payments, totalled only 5 cents per share.

Ventures Ltd. publishes, every year, a fairly complete statement as to its holdings.

Falconbridge, the Sudbury Nickel producer, has always been the main string in Ventures bow. That it is still Ventures' largest investment can be seen from the following table, which shows, on the basis of year end holdings and current market price, the approximate value of Ventures principal holdings. Whether this is the entire portfolio or not is not known. In the 1934 report, Ventures showed holdings in Island Lake Mines, Sullivan Consolidated, Kenora Prospectors, McWatters Gold, and Prospectors Airways, none of which is referred to in the 1935 report. It is generally assumed Ventures has lightened its holdings in these stocks, but, lacking official confirmation, this is an assumption only.

Company	No. of shs. (As at Dec. 31)	Market value* $
Falconbridge	1,367,932	11,242,249
Coniaurum	1,429,257	3,072,903
Sudbury Basin	946,410	3,539,573
Matachewan Con.	891,035	133,655
Opemiska Copper	1,935,035	2,805,801
Beattie	2,150,441	3,225,662
Can. Malartic	472,195	571,356
Duport Mining	559,262	†
Total value (est.)		24,591,199

*Estimated as at June 19, 1936.
†Not quoted.

Add to the above working capital of about $120,000; government and industrial bonds $56,600, and one has a total of about $24,767,800 liquidating value behind the 7,869,755 shares outstanding, or, on a par share basis, about $3.15, with the market where it is today.

Income Real Yardstick

While in the profit and loss account, it appears that the greatest source of revenue in the past has been from sale of securities, this is of a non-recurring nature, and the real yardstick in measuring the success of such a company should be the income from investments. At present, Falconbridge is the greatest source of revenue in this regard. Falconbridge has been a steady dividend payer, and is comfortably earning its present rate of 7½ cents per quarter. On this basis, Ventures investments in Falconbrdge accounted for some $416,000 of its revenue in 1935. Early ths year Beattie Mines paid its initial dividend of 5 cents per share. At the present time, these 2 companies are the only dividend paying concerns in Falconbridge's portfolio of mining stocks, although the outlook for dividends from some of the company's other holdings is fairly encouraging.

As has been said, it is essential, if Ventures is to retain its present character, that large sums should be spent in the exploration and development of new properties. Some shareholders have expressed their dissatisfaction with such a policy. Certainly Ventures has spent and is spending money lavishly in the search for promising properties, but it has something tangible to show for it, which is more than can be said for some of the other large scale operators in the keenly competitive hunt for mineral wealth.

After the wild and inexplicable enthusiasm which first greated this issue and which boosted the price in the boom days of 1929 to $14.85 per share, Ventures has settled down marketwise to a level which appears a fair estimate of the paper equity and prospects of the company. To judge such stock purely on a yield basis is not common sense.

Mining Corp.

Lake Anglo-Huronian Mining Corporation of Canada is an outgrowth of a former individual operation, this time silver production in Cobalt, which ceased operations in 1932. At the present time, the company's main asset is its interest in Hudson Bay Mining & Smelting Co., which, at market prices on June 19, had a market value of over $2 millions on the basis of 81,287 common shares held as at Dec. 31, 1935.

In its subsidiary companies, Mining Corp. has not met with particular success, both Ashley, in the Michipicoten area and Base Metals Mining Corp. in B. C., two of Mining Corp.'s chief operations, having been keen disappointments.

In addition to the above three concerns, Mining Corp., as at Dec. 31, 1935, held 233,200 shares in McKenzie Red Lake. Other holdings include a controlling interest in Laguna Gold Mines, a Manitoba property which is being groomed for a mill this year, and a controlling interest in Quemont Mining Corp. which suspended operation in 1930, due to low metal prices.

There is very little likelihood Mining Corp. will resume dividends for some years. The last one was paid in 1929. The company plans to increase exploration work in the coming season, and expenses will therefore be increased accordingly.

While, on an asset basis, and taking into consideration the fact that the management of the company is well regarded, the present market price of Mining Corp. appears justified, the stock lacks any definite basis for hope. It may be that the accelerated exploration programme mentioned by the president will result in changing the picture. The fiscal year 1935 proved to be a better one for this company than 1934, the improvement, which resulted in a net profit for the year of $42,458, compared with a 1934 deficit of $93,070, being due to income from investments and the sale of assets previously written off.

This corporation has been popular in England among those who are interested in Canadian mining.

International Mining Corp.

While this is a United States incorporation, the fact that it already has a large stake in Canadian mining ventures; that the management has announced its intention of devoting more attention to Canadian business, and that there are several Canadians on the board, including Sir Herbert Holt, James Y. Murdoch, and R. O. Johnson, makes it of interest to Canadian investors.

International Mining Corp. is a prospecting, exploration and holding company. As at March 31, 1936, about 89.43 per cent of the corporation's net assets were in cash, accounts receivable, and investments in listed or quoted securities at market value; 10.57 per cent in investments, in unlisted mining stocks and mining ventures, and in subsidiary companies.

This company has had a good earnings record. Payment of dividends out of earnings was started in December, 1934, with the payment of 15 cents per share. Regular quarterly payments of 15 cents per share have been made since, with an extra of five cents in Dec., 1935. All these payments have been well covered from earnings before including profit on investment transactions.

There has been little change from year to year in the equity behind this stock. This equity, as reported by the company stood at $22.17 per share in March, 1936. Warrants to purchase 523,945 additional common shares at $10 per share are outstanding and if exercised would have reduced the equity per share to $15.27 and would have given the corporation $5,239,450 additional capital.

Nipissing Mines

While operating in a comparatively small way, this holding company, and its predecessor, have paid dividends every year since 1906, with the exception of the years 1932 and 1933.

Nipissing Mines Co. operates through its wholly-owned subsidiary Nipissing Mining Co. This latter concern has properties in various fields of Ontario and Quebec. The original property at Cobalt is only operating on a limited scale. Nipissing holds some 1.7 million shares of Beattie, so that the introduction of dividends by that company will aid it considerably. In addition, it has a stock interest in Robb Montbray, which gives it speculative appeal.

Assets of Nipissing as at Dec. 31, 1935, consisted of $7,788 cash; $300,000 balance of dividend receivable from Nipissing Mining Co. and $6 millions capital stock of the latter company.

Nipissing Mining Co. reported cash, government bonds, railroad bonds and other investments as having a value at the end of the year of $3,122,759.

Nipissing is on the lookout for a new property, and is holding about $600,000 cash in readiness in case a worthwhile new property presents itself. Such an eventuality would go far toward putting backbone in the market.

At the Mines

Bousquet Gold Mines—The new 50-ton mill in this West River area property is giving excellent service, according to word from the property. It is officially expected the first brick will be poured in about two weeks. Progress is being made in opening up the 150 and 300-ft. level.

• • •

Gillies Lake Porcupine reports that the second drill hole is under way, to determine extent of the ore above and below the 300 and 500-ft. levels. The mill is operating at from 60 to 70 tons daily.

• • •

Gold Lake Mines—Lateral work from the 350-ft. level has started at this property in the Rice Lake area of Manitoba. There will be practically no crosscutting as the vein zig-zagged in and out of the shaft for the entire 350 ft.

• • •

Island Mountain Mines Co.—subsidiary of Newmont Mining Corp. in the Cariboo district of British Columbia, reports that May production was 1,550 fine ounces of gold from 3,511 tons of ore. This is a recovery of 2.26 ounces per ton.

• • •

Jubilee Long Lac Gold Mines—has engaged D. E. Craigie, mining engineer, to make a geological survey of the company's property adjoining Roche Long Lac Mines in the Little Long Lac gold area. After surface exploration, the company has a diamond drilling campaign in mind.

• • •

Minto Gold Mines Ltd.—B. C. producer, reports May gross production totalled $30,736 from 1,721 tons milled. Net, after depreciation and depletion, but before mineral tax, was $10,752. The month was occupied preparing new development work and installing further machinery for doubling the capacity of the mill.

• • •

Pioneer Gold Mines—May production is reported at $206,000, with expenses at $75,600 before depletion, taxes, or depreciation. The company informs The Post that expenses were higher during the month by reason of the work entailed in replacing the domestic water system, destroyed by extreme frost last winter.

• • •

Porcupine Crown—reports the optionee having failed to purchase 50,000 shares at 9 cents per share on or before June 10, this being the second option installment under the agreement dated January 18, 1936, the option has been terminated for default.

• • •

Sonora Mines—has recently been formed to explore a gold occurrence on a group of claims near the west side of Beaver Lake, northern Saskatchewan, and 18 miles southwest of Flin Flon. Dr. J. F. Wright is president.

New Deal Made For McMillan

Director Buys Out N. Y. Interests — Offer to Shareholders

From Our Own Correspondent

SUDBURY. — McMillan Gold Mines, in the West River area, over which the swan song was about to be rendered, is to be given a new lease of life, and in all probability, as soon as the necessary details are formally approved, the mine will be re-opened for further exploration.

G. A. Foot, of Sudbury, one of the directors, engaged in an effort to avert the winding up of the company's affairs as provided in a motion adopted by the shareholders May 9, with a group of associates has succeeded in negotiating a deal. Mr. Foot has purchased the holdings of the New York interests, amounting to 500,000 shares, at 2c. per share, the vendors agreeing to the terms on condition that a similar offer be made to the other shareholders, which is being done. The price was determined by the estimated sum probably attainable if the assets had been sold.

The directors last week end accepted the proposals of Mr. Foot and a meeting of shareholders has been called for in Sudbury, July 6, for their approval.

To Sell More Stock

Mr. Foot's programme calls for the sale of 100,000 treasury shares at 10 cents per share, and in the meantime a loan of $10,000 for the purpose of immediately financing another diamond drilling campaign.

At the meeting of the shareholders May 9 last the resolution was passed calling for the permanent closing of the mine, after a report was submitted by Walter Segsworth, mining engineer, that he saw no hope of proving up a body of commercial ore.

McMillan is capitalized at 4,000,000 in $1 shares, with 3,551,074 shares issued, so that after the sale of 100,000 shares as proposed, the company would still have 350,000 shares for further financing purposes.

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Gillies Lake Drill Is Giving Results

Manager Reports Values 300-ft. Level East of Shaft

TIMMINS.—"Diamond drilling at Gillies Lake Porcupine Gold Mines is giving some gratifying results," R. V. Neily, recently appointed manager of the mine, stated this week.

Hole No. 301 on the 300-ft. level east of the main crosscut drilled flat intersected 6.7 ft. assaying $16.45 per ton, one foot assaying $5.60 per ton, and one foot assaying $28 per ton.

Hole No. 304 also on the 300-ft level east of the main crosscut and drilled parallel to 301 cut 3.5 ft. of vein assaying $3.50 and $19.60 per ton, and 15 ft. averaging $3.75 per ton. This last break includes one foot at $24.50.

Drilling is to be continued to thoroughly explore all levels, Mr. Neily stated.

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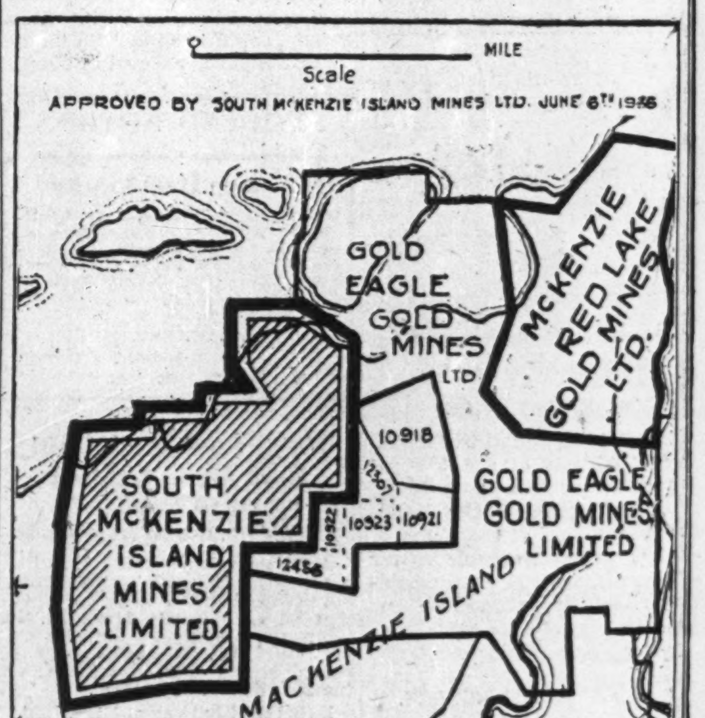
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This well located property is now being intensively developed under the direct and personal supervision of F. M. Passow, M.E., A.R.S.M., Resident Engineer of Gold Eagle Gold Mines.

The results already obtained and the richness of its neighbours suggest much higher prices for South McKenzie Island Gold Mines in the very near future.

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West Pinning Highest Hopes On Crude Find

Strike of Turner Valley Royalties Hailed as New Era

MANY TO BENEFIT

From Our Own Correspondent

CALGARY.—Declared by Hon. C. C. Ross, minister of lands and mines in the provincial government, to be the most outstanding development in Alberta oil history, Turner Valley Royalties No. 1 well has opened up a crude oil pool on the southwest flank of Turner Valley.

During the first 3 days following the strike, the big new crude producer yielded almost 2,900 bbls. of crude oil of 43 Beaume gravity with a mixed parafin and naphthene base. At last report the well was still producing crude at a rate between 900 and 1,000 bbls. a day with no signs of a decrease.

It is the first big crude strike in Alberta and is of tremendous importance in that crude oil must be mixed with Turner Valley naphtha to produce gasoline. Hitherto the refineries have imported crude oil from Montana and other American oil producing states for this purpose.

Importations of crude oil from the United States will continue, of course, but oil men here are hopeful that Turner Valley Royalties has proven a large area on the southwestern flank of the structure with the result that more big crude wells will be brought in, making the province less dependent upon importations of crude.

Approaches Gusher

Turner Valley Royalties is the nearest approach to a gusher ever drilled in Alberta. The gas flow is less than 2.5 million cubic feet compared with gas flows of from 15 million to 20 million cubic feet daily in large Turner Valley naphtha wells. The Turner Valley Royalties product is the heaviest grade crude oil ever encountered in the Turner Valley limestone.

Many Companies Interested

The Turner Valley Royalties strike has justified the decision of the British American Oil Co. a year ago to take an active part in Alberta oil operations. British American holds a heavy but undisclosed interest in the Turner Valley Royalties Company, and will handle the production. The Imperial Oil Co. has a small interest. Other companies which will share in the production are Vulcan Oils Limited, 15 per cent; McDougall-Segur Exploration, Ltd., 11 per cent; Alberta Pacific Consolidated Oils, 3 per cent; and Spooner Oils, 5 per cent. All these Turner Valley companies saw their stocks rise rapidly on the exchanges following the strike. The strike has put new life into the Turner Valley field. The Richfield Royalties Co., which has a well only 1,500 ft. south of Turner Valley Royalties, has been able to make financial arrangements to complete the well at once. It was carried down to 4,000 ft. when operations were suspended about a year ago.

The Renfrew Royalty Co. will endeavor to complete its well, just south of the Richfield well, as quickly as possible. Other companies are planning to drill on the west flank of the valley and it is understood the British American company will finance the drilling of one more well, at least.

Production in May Reported From 37 Ontario Gold Mines

A total of 37 Ontario mining companies reported production in May to the provincial department of mines. Of these, nine were from Porcupine, nine from Kirkland Lake, two from Matachewan and 17 from the large northwestern Ontario region.

Value of production in May, in Canadian funds, was $6,511,801 as compared with $6,300,192 in May, 1935, and with $6,646,735 in April, 1935.

Following is the record of the producing camps for the first five months of this year, compared with a similar period last year:

Ontario Gold Output—1935-36

	1935		1936	
	Tons Milled	Value $	Tons Milled	Value $
Porcupine:				
January	320,676	2,461,881	321,654	2,654,617
February	285,057	2,448,898	311,340	2,618,662
March	316,322	2,619,756	330,163	2,811,129
April	307,257	2,547,885	320,479	2,976,709
May	312,618	2,893,836	331,735	2,797,688
Kirkland Lake:				
January	163,944	2,657,047	166,080	2,767,180
February	149,449	2,475,278	161,112	2,700,890
March	164,836	2,711,420	189,606	2,996,610
April	159,180	2,540,040	176,323	2,796,423
May	168,292	2,778,460	187,694	2,836,312
Matachewan:				
January	20,964	97,016	29,280	116,704
February	21,377	93,750	27,863	111,182
March	23,752	105,058	33,363	136,847
April	24,929	111,568	32,920	133,437
May	26,164	126,948	31,279	104,538
Northwestern Ontario:				
January	62,592	335,444	88,541	695,913
February	57,056	318,443	82,830	680,272
March	62,406	365,755	89,147	769,920
April	67,556	398,620	86,771	740,166
May	71,203	500,948	89,991	773,263
Total for Ontario—January	568,176	5,551,388	605,555	6,234,414
" " " February	513,439	5,336,369	583,145	6,111,006
" " " March	576,816	5,801,989	642,279	6,714,506
" " " April	558,922	5,598,113	616,493	6,646,735
" " " May	578,277	6,300,192	640,699	6,511,801

McCuaig Options Meet Opposition

Difference Arises Over Quinn Deal at Meeting

Opposition to options granted by directors of McCuaig Red Lake Gold Mines to George W. Quinn arose at a meeting of shareholders held in Toronto recently. The deal, which was not put to the vote, grants Mr. Quinn options on 800,000 shares to net something around $400,000, The Financial Post is informed.

Most of the opposition to the deal emanated from representatives of C. A. Gentles & Co. who claim that the company is not in need of funds and need not have granted options on its stock under such terms. F. E. Forster, of C. A. Gentles & Co. told The Financial Post he had offered, on behalf of his firm, to supply $25,000 if the treasury were in need of funds.

At the meeting, the old board was re-elected, and it was announced directors had decided to go ahead with development work on the Red Lake property, which had been inactive pending further development in this field.

Initial plans call for surface work in preparation for drilling. Prof. L. Joselyn Rogers, secretary-treasurer informs The Financial Post that liquid assets are in the neighborhood of $60,000. The company is understood to have shown a comfortable profit on its 20,000 shares of McKenzie Red Lake. The properties at Red Lake and in the Sheep Creek area of British Columbia are owned outright, and have been paid for in full, Prof. Rogers stated.

Perron Gold Mines Ships $54,000 in May

From Our Own Correspondent

MONTREAL.—Two gold bricks to the value of approximately $54,000 were shipped to the Mint from the Perron Gold Mine during May, according to J. P. Morrie, general manager of the company.

Toronto Lists East Malartic

Quebec Company Reports Substantial Cash Position

The Toronto Stock Exchange has approved the application of East Malartic Mines Ltd. for listing, trading having started June 22.

The company was incorporated with a Quebec charter in September, 1934. The authorized capitalization is three million shares of $1 par value each. As at May, 29, 1936, issued capital totalled 2,229,449 shares.

The property, in Fournier Township, Abitibi County, Quebec, is equipped with electrical plants, 1,200-ft. electric compressor, drill sharpener and other mining equipment.

Development to date consists of 46,000 cu. ft. of surface trenchings, in addition to blasting and 14,000 ft. of drilling. In the No. 1 shaft, three ore bodies have been indicated, the company reports, the shaft now being down 175 ft. The No. 2 shaft is down 35 ft. and sinking is being continued.

As of November 15, 1935, Malartic had sold 250,000 shares at 10 cents a share, and 185,000 shares at 15 cents a share, netting the treasury $52,750. Up to May 15, 1936, 465,000 shares had been sold at 15 cents a share, 250,000 shares at 25 cents, and 79,449 at 40 cents, netting the treasury $164,030.

As of June 15, 1936, options had been granted on 615,551 shares at prices ranging from 40 to 80 cents a share.

As at April 30, current assets are shown to total $101,740 against current liabilities of $8,802.

Lapa Cadillac Gold Mines—reports that the steel piling is now down to bedrock, and it is planned to sink 20 ft. into the bedrock, and cement a collar to the surface. The company reports that September commitments have been paid into the treasury.

Find High Assays At Sachigo River

Drilling Indicates Narrow Widths But Good Values Brown Reports

From Our Own Correspondent

WINNIPEG.—Eldon Brown, manager of God's Lake Gold Mines and interested in the Sachigo River Exploration Co. has given out what is possibly the first authentic information from that little known area.

Many wild rumors have been current but even the wildest are not apparently so far from the truth as is generally the case. Over a length of 300 ft. in which 7 drill holes have been put down, values run from just about one ounce in gold per ton to 28 ounces. As might be supposed widths are rather narrow. But where the 28 ounce assay was obtained the horizontal width was 18 inches. A deeper hole, with values consistent with shallower holes, indicated a widening of the vein.

Sachigo River is just 100 miles in an airline due east of Elk Island, God's Lake gold camp.

Keora Mines Involved In Triple Merger Plan

Keora Mines has called a special meeting of shareholders for June 29 to ratify an agreement between Keora, South Keora, North Whitney Gold Syndicate and Quebec Gold Mining Corp. by which a new company would be formed, Whitney Porcupine Mines, with authorized capitalization of 3.5 million shares no par value. The 3 companies would sell their assets to the new company receiving 1,500,000 shares which, less commission, would leave 1,350,000 shares available for distribution and 2 million shares in the treasury of the new company. The vendor stock would be held in escrow for 18 months minimum. Quebec Gold Mining Corp. would underwrite 2 million shares of the new company to provide it with $700,000.

Rich Lake Patricia Syndicate—With a small crew operations have started on this property in the Fort Hope area, eastern Patricia district, Ontario. The present programme calls for further stripping, trenching and test pitting on vein Nos. 1 and 2 so that the vein system can be thoroughly sampled and examined by a mining engineer.

Chromium Mining Deepens Workings

Add 100 Men to Crew as Part of Expansion Plan

For the purpose of opening up the lower levels of the mine as quickly as possible, directors of Chromium Mining & Smelting Co. have approved an expansion programme, involving the addition of 100 men to the crew. With the assistance of the government, the road from the railhead to the property near Obonga Lake will be gravelled and graded to permit the hauling of ore by truck all the year round.

Contracts have been signed with Smith & Travers for drilling the property, and new equipment ordered. The concentrator will be in operation within a week or two, officials state, with an initial capacity of 100 tons per day.

At the smelter in Sault Ste. Marie, enlargement is practically completed, with 2 of the furnaces already in operation. The third furnace is scheduled to go into operation in a month.

Grange Mines—Shareholders are being asked to approve an agreement between the company, W. L. Gilbert, and a new company formed under the name of Kelly Lake Gold Mines. Under this agreement, the operation of this property will be turned over to the new company.

NORTHERN CANADA MINING CORPORATION, LIMITED

New mines financed, managed and developed to production.

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MOOSHLA

An important gold property in Bousquet Township, Quebec. Work to date has disclosed ore over excellent widths and with very high average values increasing with depth. Send for map and analysis.

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This offering having been sold, this advertisement appears as a matter of record only.

McLELLAN LONG LAC
GOLD MINES LIMITED

No personal liability.

Incorporated under the Ontario Companies Act

CAPITALIZATION

Authorized (par value $1 each)	3,000,000 shares
Issued and to be issued for properties as of May 27, 1936	1,250,000 shares
Underwritten and offered for sale	200,000 shares
Balance in treasury	1,550,000 shares

Vendors' stock is now held in escrow subject to release by the Ontario Securities Commission.

DIRECTORS AND OFFICERS:

Murdoch L. Martyn, President, Toronto.
Harvey C. Orton, Vice-President, Chicago, Ill.
L. J. Duthie, Director, Toronto.
Ross F. McLellan, Secretary-Treasurer, Harriston, Ont.
A. D. Clark, Director, Toronto.

HEAD OFFICE:
302 Sterling Tower, Toronto.

Transfer Agent and Registrar:
TRUSTS AND GUARANTEE CO. LIMITED
Toronto.

Solicitors for the Underwriters:
FENNELL, PORTER AND DAVIS,
Toronto.

PROPERTY: The property consists of twenty claims located in the Little Long Lac area. The south group of eight claims adjoins Little Long Lac Gold Mines Limited and is held under option, with payments being arranged over a maximum period of three years until a total of $50,000.00 has been paid. The north group of twelve claims is owned by the Company and is located approximately six miles northwest of Little Long Lac Gold Mines Limited.

INDICATED ORE: The south shear zone has been extensively diamond drilled and trenched and shows three bands of mineralization. Approximately 5,000 feet of drilling has been completed over a length of 700 feet. Fifteen of the holes drilled in the south zone are reported to have indicated ore, with free gold showing in several holes. Number Eighteen hole is reported to have shown free gold at eight different places along the core, and to give commercial widths of ore in two halves of the split core with values of $11.50 and $22.75 respectively.

DEVELOPMENT: Development work on the south group of claims will include further diamond drilling and, when justified, shaft sinking. Permanent camps and roads have already been constructed on this property.

Extract from Engineer's Report

"Conditions of the south property of the Company can be summarized as follows:

1. The geologic structure on the property is the same as that of adjoining mines, and favorable for the deposition of ore bodies.
2. Extensive ore bodies have already been developed in these structures; in neighboring mines such as Little Long Lac, MacLeod Cockshutt and Hard Rock.
3. Diamond drilling on the South McLellan claims has already shown high ore values that would indicate potential ore bodies.

"In view of the above three conditions, I consider the property to have definite mine-making possibilities, and that extensive development is justified."

Dated at Toronto, May 28, 1936. (Signed) J. H. COLVILLE, E.M.

Price 25 Cents per Share

J. S. FORGIE & COMPANY LTD.

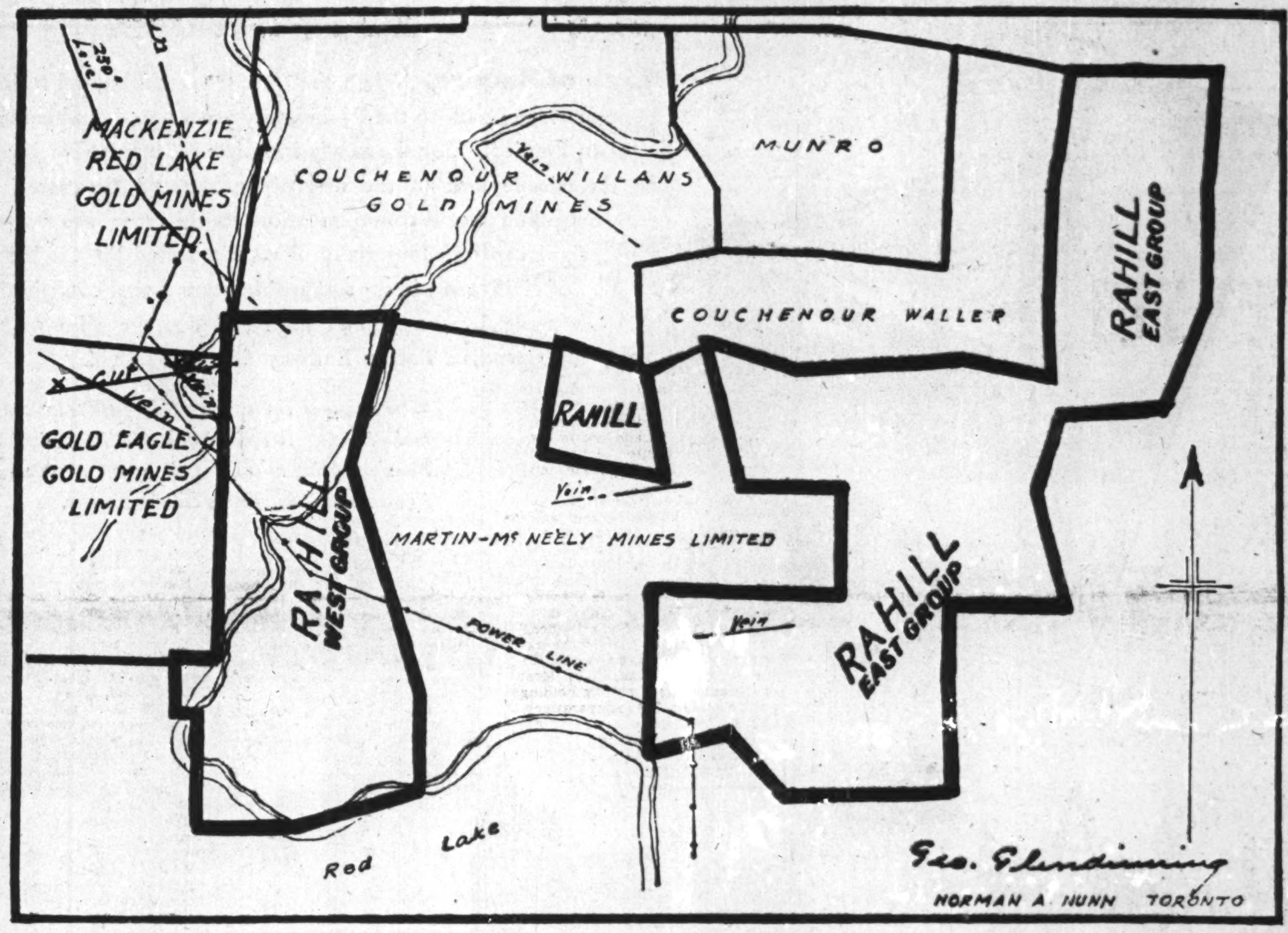
Investment Securities

254 Bay Street Bank of Toronto Building Toronto
ELgin 4341

Informational Bulletin

RAHILL RED LAKE
MINING COMPANY LIMITED

(No Personal Liability)



Location Map of the properties of Rahill Red Lake Mining Company Limited

To the Public:

As a result of the recent important gold discoveries on the properties of Gold Eagle Gold Mines Limited, and the consequent reflection of their importance by the rapid advance of Gold Eagle shares and those of its neighbour on the north, McKenzie Red Lake Mines Limited, a great number of enquiries have come to the officials of this Company with regard to the importance of these discoveries to Rahill Red Lake Mining Co. Limited one group of whose properties adjoin Gold Eagle Mines and McKenzie Red Lake Mines on the east; and in order that the public may be as fully informed as possible as to the importance of these discoveries to Rahill properties, we have published this announcement.

As will be seen by the above map, the Rahill properties cover some of the most important mining locations in this area which is producing such spectacular results.

Of particular interest at the moment is the Rahill group adjoining the Gold Eagle Gold Mines Limited properties and those of the McKenzie Red Lake Gold Mines Limited on the east.

Our own engineers and others concede Rahill as having:

(1) The probable extension of the McKenzie Red Lake Gold Mines break as shown on the above map.

(2) Every indication that the vein system producing such spectacular results a few hundred feet from the Rahill line on the Gold Eagle properties will extend into the Rahill properties. The strike of these veins is such that there is a possibility of Rahill securing great length on such ore occurrences.

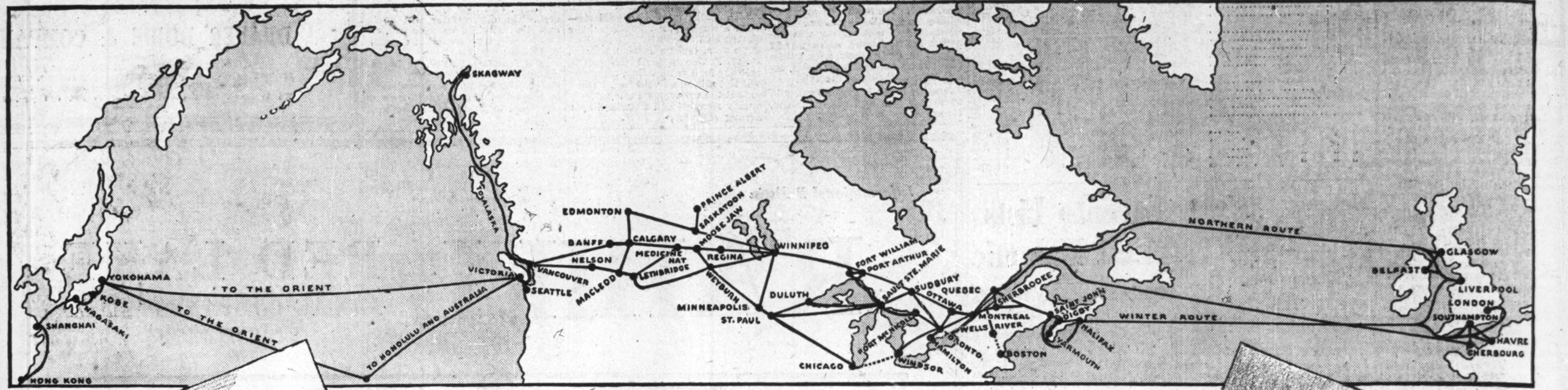
The importance of these developments is further proven by the numerous offers that have been made to the Rahill Lake Mines Limited during the last few days for very substantial blocks of its Treasury shares. None of these offers have as yet been accepted but it is the intention of the Directors of the Company to come to some decision within the next few days with regard to a financing program that will provide funds to thoroughly explore its properties and bring them to production on a scale such developments warrant in the shortest possible time.

Geo. Glendinning
Vice-President,
RAHILL RED LAKE MINING CO. LIMITED.

HEAD OFFICE
BANK OF HAMILTON BLDG., 67 YONGE ST., TORONTO, CANADA.

FIFTY YEARS AGO

1886 *and to-day* 1936


SKAGWAY
ALASKA
EDMONTON
PRINCE ALBERT
SASKATOON
MOOSE JAW
BANFF
CALGARY
NELSON
MEDICINE HAT
REGINA
WINNIPEG
VICTORIA
VANCOUVER
SEATTLE
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MINNEAPOLIS
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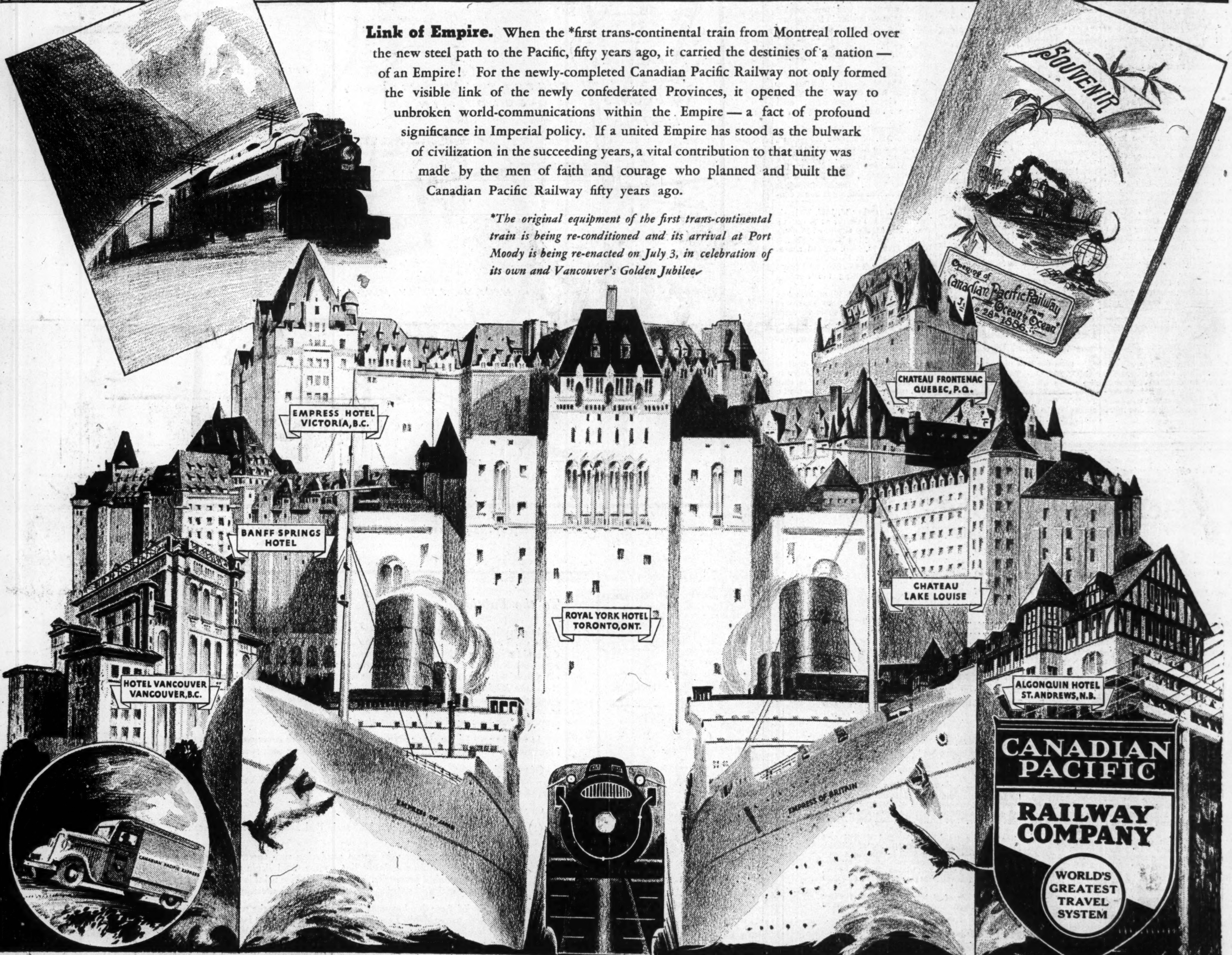
Link of Empire. When the *first trans-continental train from Montreal rolled over the new steel path to the Pacific, fifty years ago, it carried the destinies of a nation — of an Empire! For the newly-completed Canadian Pacific Railway not only formed the visible link of the newly confederated Provinces, it opened the way to unbroken world-communications within the Empire — a fact of profound significance in Imperial policy. If a united Empire has stood as the bulwark of civilization in the succeeding years, a vital contribution to that unity was made by the men of faith and courage who planned and built the Canadian Pacific Railway fifty years ago.

**The original equipment of the first trans-continental train is being re-conditioned and its arrival at Port Moody is being re-enacted on July 3, in celebration of its own and Vancouver's Golden Jubilee.*


SOUVENIR
Opening of Canadian Pacific Railway from "Ocean to Ocean" June 28th 1886.
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CHATEAU FRONTENAC QUEBEC, P.Q.
BANFF SPRINGS HOTEL
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CHATEAU LAKE LOUISE
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